

LYSANDER-ROUNDTABLE LOW VOLATILITY EQUITY FUND

Global equity markets were up in July as investors shrugged off macro risks and piled money into stocks. The S&P/TSX Composite Index appreciated by 3.4%, while the S&P 500 gained 3.6%. The MSCI All-Country World Index was up 4.2% in July. On the commodity front, West Texas Intermediate (WTI) Crude Oil dropped 15.1% during the month as concerns of a global supply glut continued to weigh on the quote. After appreciating 28% in June, natural gas fell by 1.4%. Precious metals such as gold and silver continued their ascent, appreciating 2.2% and 8.7%, respectively. On the back of a slowing global economy and follow on risks from Brexit, spot gold has appreciated 27% year-to-date.

Global equity markets brushed off the impacts of "Brexit" and continued to rally higher. Volatility continued to decline over the course of the month as the CBOE S&P 500 Volatility Index (VIX) finished July at 11.7%. All sub-sectors of the S&P/TSX Composite Index posted positive returns except for Energy, which was down 0.5%. Information Technology and Industrial stocks led the way in July, appreciating 9.2% and 7.6%, respectively. Basic Materials also continued to grind higher on the back of strong appreciation in the spot gold and silver prices. The S&P/TSX Composite Materials Sector Index was up 6.8% in July. Financial stocks were a strong contributor to portfolio returns, adding approximately 100 bps in July. The Fund recently initiated a position in Brookfield Property Partners LP (BPY), which appreciated by almost 10% in July. The stock depreciated by 8% post-Brexit, as investors digested the impact Britain's fallout from the European Union would have on BPY's U.K. business. Although the U.K. exposure makes up 20% of BPY's net asset value ("NAV") per unit, given that the shares trade at a double digit discount to NAV and the fact that expiring leases through 2020 make up only 2% of net operating income, the sell-off created a compelling entry point in the stock. At July month-end, units of Brookfield Property Partners surpassed their pre-Brexit level. Uncertainty continues to dominate headlines as investors try to assess the health of economies globally. Economic data out of the U.S. has been mixed and the chances of a rate hike by the Fed continue to be pushed out further. Given these risks, the Fund has increased the level of option coverage to the higher end of the 50% to 100% guided range. In July, short call options added 140 bps of positive performance to Fund returns. Net exposure for July averaged 60% (delta-adjusted for short call options), up from 55% in June, with a cash position of approximately 10% to deploy on pullbacks.



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