Fyi. Thanks

Dear Friends,

Summarized below is the Harvest **Collateral Yield Enhancement Strategy** (CYES) monthly update for **April** of 2018. The strategy, which prefers more moderate market gyrations and range trading, rebounded strongly in April after a challenging first quarter. The CYES was +0.96% on notional for the month and is -1.45% YTD; -1.35% on a trailing 12-month basis and +1.11% annualized since inception in April of 2008.

As we repeat often, our best months tend to follow our worst months (which once again proved true with our best month since 2011). After taking some market to market and cash hits in Q1, the higher volatility levels have translated into wider bands (to better absorb this market volatility) and greater premium collected (both of which should help us continue to recover from a performance perspective). The longer the SPX remains broadly in the 2575-2725 range the better (and if it doesn't, we will shift and respond accordingly).

Regarding **April** in particular, we benefitted from an SPX that, despite pockets of volatility, remained mostly range bound and a VIX that generally returned to more normal levels (albeit higher than most of 2016 and 2017). The intra-month and intra-day trading for both the SPX and VIX is shown below:
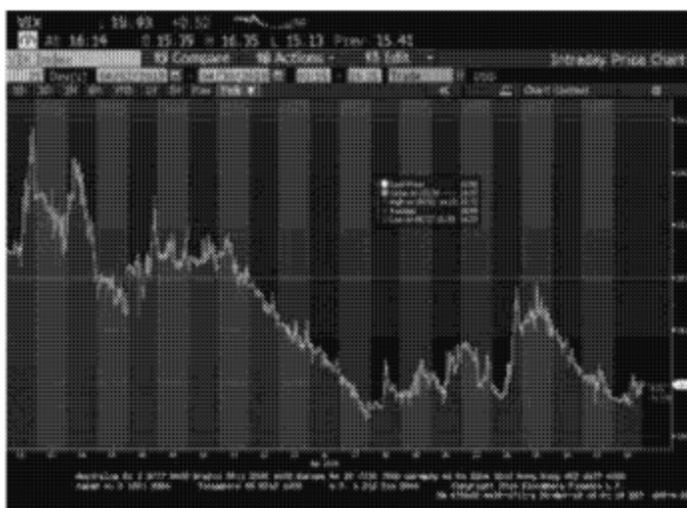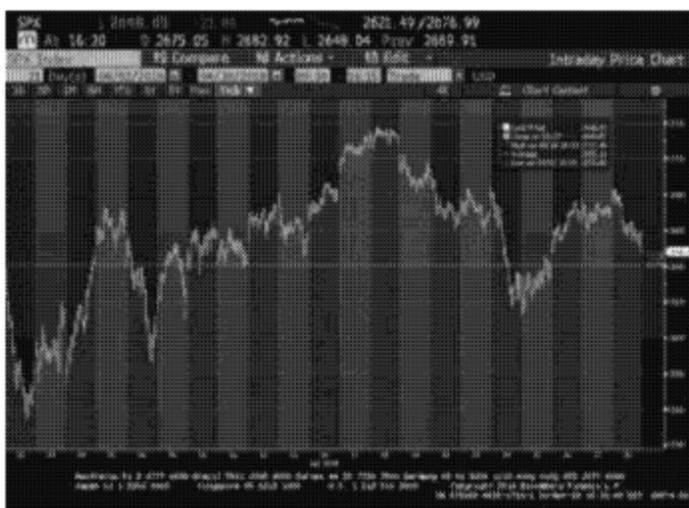
As a reminder, the CYES:
- Seeks to deliver <u>additional cash-flow returns</u> to your portfolio, <u>over and above the return on your other liquid investments</u> (equities, fixed income, municipal bonds, mutual funds, ETFs, MLPs, REITs, cash).
- Enhances portfolio risk-adjusted returns given its **low volatility** and **low correlation to other asset classes**.
- Has **no opportunity cost** since you are not required to commit capital at inception or change your existing asset allocation.