

**BetaShares Australian Top 20 Equity Yield  
Maximiser Fund (managed fund)  
ASX Code: YMAX**

ARSN 155 637 648

**Annual Financial Report - 30 June 2016**

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## Directors' report

The directors of BetaShares Capital Ltd, the Responsible Entity of BetaShares Australian Top 20 Equity Yield Maximiser Fund (managed fund) (the "Fund"), present their report together with the financial statements of the Fund, for the year ended 30 June 2016 and the auditor's report thereon.

### Responsible Entity

The Responsible Entity of BetaShares Australian Top 20 Equity Yield Maximiser Fund (managed fund) is BetaShares Capital Ltd (ABN 78 139 566 868). The principal place of business of the Responsible Entity is:

Level 11  
50 Margaret Street  
Sydney NSW 2000

### Principal activities

The Fund is a registered managed investment fund domiciled in Australia. It is an exchange traded managed fund that is traded on the Australian Securities Exchange (ASX).

The Fund aims to provide investors with exposure to a portfolio of 20 blue-chip Australian shares (as represented in the S&P/ASX 20 Index), while providing regular income, paid quarterly, that over the medium term exceeds the dividend yield of the portfolio of underlying shares. In addition, the Fund aims to provide lower overall volatility than the underlying share portfolio.

The fund did not have any employees during the year.

There were no significant changes in the nature of the Fund's activities during the year.

### Directors

The following persons held office as directors of BetaShares Capital Ltd during the year or since the end of the year and up to the date of this report:

David Nathanson (appointed 21 September 2009)  
Alex Vynokur (appointed 21 September 2009)  
Howard Atkinson (Appointed 2 March 2010, resigned 12 August 2015)  
Taeyong Lee (appointed 12 August 2015)  
Thomas Park (appointed 12 August 2015)

### Review and results of operations

During the year, the Fund continued to invest in accordance with target asset allocations as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.

The results of operations of the Fund is disclosed in the statements of comprehensive income. The income distributions payable by the Fund is disclosed in the statements of financial position. The income distributions paid and payable by the Fund is disclosed in Note 6 to the financial statements.

### Significant changes in state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Fund that occurred during the financial year.

### Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect:

- (i) the operations of the Fund in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Fund in future financial years.

### Likely developments, risk management and expected results of operations

The principle activity of the Fund is to invest in accordance with the investment objectives and guidelines as set out in the Fund's current Product Disclosure Statement and its Constitution.

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Further information on likely developments in the operation of the Fund and the expected results of its operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Fund.

## Directors' report (continued)

### Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Fund in regard to insurance cover provided to either the Responsible Entity, directors or the auditor of the Fund. As long as the officers of the Responsible Entity act in accordance with the Fund Constitution and the Law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

The auditor of the Fund is in no way indemnified out of the assets of the Fund.

### Fees paid to and interests held in the Fund by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of Fund property during the year are disclosed in Note 15 of the financial statements.

No fees were paid out of Fund property to the directors of the Responsible Entity during the year.

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 15 of the financial statements.

### Interests in the Fund

The movement in units on issue in the Fund during the year is disclosed in note 3 of the financial statements.

The value of the Fund's assets and liabilities is disclosed in the statement of financial position and derived using the basis set out in note 2 of the financial statements.

### Environmental regulation

The operations of the Fund are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

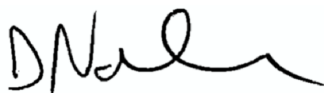
### Rounding of amounts to the nearest thousand dollars

The Fund is an entity of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the financial report and the directors' report have been rounded off to the nearest thousand dollars or nearest dollar, unless otherwise stated.

### Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

This report is made in accordance with a resolution of the directors.



David Nathanson  
Director



Alex Vynokur  
Director

Sydney  
27 September 2016



***Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001***

To: the directors of BetaShares Capital Limited, the Responsible Entity for the Scheme:

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2016, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Tanya Gilerman  
*Partner*

Sydney

27 September 2016

## Statement of comprehensive income

		Year ended	
	Notes	30 June 2016 \$'000	30 June 2015 \$'000
<b>Investment income</b>			
Interest income		14	17
Dividend and distribution income	4	17,625	14,622
Net losses on financial instruments held at fair value through profit or loss	5	(31,732)	(17,007)
<b>Total net investment loss</b>		<b>(14,093)</b>	<b>(2,368)</b>
<b>Expenses</b>			
Management fees	15	1,939	1,837
Expense recoveries	15	772	654
Other operating expenses		774	825
<b>Total operating expenses</b>		<b>3,485</b>	<b>3,316</b>
<b>Operating loss before finance costs for the year</b>		<b>(17,578)</b>	<b>(5,684)</b>
<b>Finance costs attributable to unitholders</b>			
Distributions to unitholders	6	(33,593)	(27,570)
Change in net assets attributable to unitholders (total comprehensive loss)	3	(51,171)	(33,254)

*The above statement of comprehensive income should be read in conjunction with the accompanying notes.*

## Statement of financial position

		As at	
	Notes	30 June 2016 \$'000	30 June 2015 \$'000
<b>Assets</b>			
Cash and cash equivalents	7(b)	3,644	4,678
Financial assets held at fair value through profit or loss	8	309,098	353,019
Receivables	9	3,692	3,087
<b>Total assets</b>		<b>316,434</b>	<b>360,784</b>
<b>Liabilities</b>			
Financial liabilities held at fair value through profit or loss	8	2,006	2,846
Distributions payable	6	6,466	5,538
Other payables	10	202	239
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>8,674</b>	<b>8,623</b>
<b>Net assets attributable to unitholders - liability</b>	3	<b>307,760</b>	<b>352,161</b>

*The above statement of financial position should be read in conjunction with the accompanying notes.*

### Statement of changes in equity

The Fund's net assets attributable to unitholders are classified as a liability under AASB 132 *Financial Instruments: Presentation*. As such, the Fund has no equity and no items of changes in equity have been presented for the current or comparative year.



## Statement of cash flows

		Year ended	
	Notes	30 June 2016 \$'000	30 June 2015 \$'000
<b>Cash flows from operating activities</b>			
Interest received		14	17
Dividends and distribution received		17,147	12,691
Management fees paid		(1,976)	(1,702)
Expense recoveries paid		(772)	(654)
Other expenses paid		(3)	(51)
Transaction costs		(766)	(815)
<b>Net cash inflow from operating activities</b>	7(a)	<b>13,644</b>	<b>9,486</b>
<b>Cash flows from investing activities</b>			
Proceeds from maturity/sales of financial instruments held at fair value through profit or loss		73,118	106,972
Purchase of financial instruments held at fair value through profit or loss		(61,900)	(277,029)
<b>Net cash outflow from financing activities</b>		<b>11,218</b>	<b>(170,057)</b>
<b>Cash flows from financing activities</b>			
Proceeds from applications by unitholders		21,466	194,121
Payments for redemptions by unitholders		(14,705)	(5,586)
Distributions paid		(32,657)	(24,823)
<b>Net cash (outflow)/inflow from financing activities</b>		<b>(25,896)</b>	<b>163,712</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(1,034)</b>	<b>3,141</b>
Cash and cash equivalents at the beginning of the year		4,678	1,537
<b>Cash and cash equivalents at the end of the year</b>	7(b)	<b>3,644</b>	<b>4,678</b>
Non-cash financing activities	7(c)	1,802	1,231

The above statement of cash flows should be read in conjunction with the accompanying notes.

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## 1 General information

These financial statements cover BetaShares Australian Top 20 Equity Yield Maximiser Fund (managed fund) ("the Fund") as an individual entity. The Fund is a registered managed investment scheme under the *Corporations Act 2001*. The Fund was registered on 22 February 2012 and commenced operations on 22 November 2012. The Responsible Entity cannot issue or redeem any units from the 80th anniversary of the day before the day the Fund commenced if that issue or redemption would cause a contravention of the rule against perpetuities or any other rule of law or equity. The Fund may be terminated in accordance with the provisions of the Fund's Constitution. The Fund is domiciled in Australia.

The Responsible Entity of the Fund is BetaShares Capital Ltd (the "Responsible Entity"). The Responsible Entity's registered office is Level 11, 50 Margaret Street, Sydney NSW 2000.

The Fund aims to provide investors with exposure to a portfolio of 20 blue-chip Australian shares (as represented in the S&P/ASX 20 Index), while providing regular income paid quarterly, that exceeds the dividend yield of the portfolio of underlying shares. In addition, the Fund aims to provide lower overall volatility than the underlying share portfolio.

The Fund is an exchange traded managed fund that is traded on the Australian Securities Exchange (ASX). The Fund has been admitted to trading status on the ASX under the AQUA rules.

The financial statements were authorised for issue by the directors on 27 September 2016. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

The financial statements are presented in Australian dollars, which is the Fund's functional currency.

## 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented.

### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001* in Australia. The BetaShares Australian Top 20 Equity Yield Maximiser Fund (managed fund) is a for-profit unit trust for the purpose of preparing the financial statements.

These financial statements are prepared based on an accruals concept, which requires income and expenses to be recorded as earned or incurred and not as received or paid throughout the year. It is prepared on the basis of fair value measurement of assets and liabilities except otherwise stated. The financial statements are presented in Australian dollars, which is the Fund's functional currency.

The Fund operated solely in one segment which is the business of investment management within Australia.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets and liabilities at fair value through profit or loss and net assets attributable to unitholders.

### *Compliance with International Financial Reporting Standards (IFRS)*

The financial statements of the Fund also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

### *Use of estimates*

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and regularly reviewed by experienced personnel of the Responsible Entity, independent of the area that created them.

## 2 Summary of significant accounting policies (continued)

### (a) Basis of preparation (continued)

#### *Use of estimates (continued)*

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For certain other financial instruments, including amounts due from/to brokers and payables, the carrying amounts approximate fair value due to the short-term nature of these financial instruments.

#### *Investment entity exception*

The Fund meets the definition of an investment entity and therefore apply the investment entity amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interest in Other Entities and IAS 27 Separate Financial Statement. IFRS 10 is applicable to all investees; among other things, it requires the consolidation of an investee if the Funds control the investee on the basis of de facto circumstances. An exception however exists where an entity meets the definition of an investment entity.

The Fund meets the definition of investment entity due to the following factors:

- (a) the Fund obtains funds from one or more unitholders for the purpose of providing the unitholders with investment management services;
- (b) the Fund commits to its unitholders that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- (c) the Fund measures and evaluates the performance of substantially all of its investments on a fair value basis.

In making the above assessments, the Funds have multiple investments and multiple investors. Their investors are generally unrelated parties of the Funds. Although all units attributable to unitholders are recognized as debt rather than equity, unitholders invest for returns from capital appreciation, investment income, or both. Directors of the Responsible Entity have concluded that the Funds meet the definition of investment entity.

#### *Assessment of the Funds' investments as structured entities*

The Fund has assessed whether the securities in which they invest are structured entities. The Fund has considered the voting rights and other similar rights afforded to investors in this fund, including the rights to remove the fund manager or redeem holdings. The Fund has assessed whether these rights are the dominant factor in controlling the funds, or whether the contractual agreement with the fund manager is the dominant factor in controlling this fund. The Fund has concluded that the managed investment funds in which they invest are not structured entities.

### (b) Changes in accounting policy and transition

There were no changes in the accounting policies of the Fund during the financial year.

### (c) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2016 reporting period and have not been early adopted by the Fund. The directors' assessment of the impact of these new standards (to the extent relevant to the Fund) and interpretations is set out below:

- AASB 9 *Financial Instruments* (and applicable amendments) (effective from 1 January 2018)

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The directors do not expect this to have a significant impact on the recognition and measurement of the Fund's financial instruments. The derecognition rules have not changed from the previous requirements, and the Fund does not apply hedge accounting. The Fund has not yet decided when to adopt AASB 9.

## 2 Summary of significant accounting policies (continued)

### (c) New standards and interpretations not yet adopted (continued)

- AASB 15 *Revenue from Contracts with Customers* (effective from 1 January 2018)

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 Revenue which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

The Fund's main sources of income are interest, dividends and distributions and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As a consequence, the directors do not expect the adoption of AASB 15 to have a significant impact on the Fund's accounting policies or the amounts recognised in the financial statements. The Fund has not yet decided when to adopt AASB 15.

There are no other standards that are not yet effective and that are expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

### (d) Financial instruments

#### (i) Classification

The Fund's investments are classified as financial assets or financial liabilities, and are recognised at fair value through profit or loss. They comprise:

- Financial instruments held for trading

Derivative financial instruments such as options are included under this classification. The Fund does not designate any derivatives as hedges in a hedging relationship.

- Financial instruments designated at fair value through profit or loss upon initial recognition

These include financial assets and financial liabilities such as equity instruments and unit trusts that are classified as not held for trading purposes and which may be sold.

Financial instruments designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Responsible Entity to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

#### (ii) Recognition/derecognition

The Fund recognises financial assets and financial liabilities on the date they become party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Fund has registered substantially all risks and rewards of ownership.

#### (iii) Measurement

- Financial assets and liabilities held at fair value through profit or loss

At initial recognition, the Fund measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of comprehensive income as incurred.

Subsequent to initial recognition, all financial assets and financial liabilities held at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income with net gains/(losses) on financial instruments held at fair value through profit or loss in the period in which they arise.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

- Fair value in an active market

The fair value of financial assets and liabilities traded in active markets is subsequently based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The quoted market price used for financial assets and liabilities is the last traded price.

## 2 Summary of significant accounting policies (continued)

### (d) Financial instruments (continued)

- Fair value in an inactive market or unquoted market

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arms transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models or any other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

- Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

### (e) Net assets attributable to unitholders

Units are only redeemable by unitholders being Authorised Participants at the unitholders' option and accordingly, are classified as financial liabilities. The units can be put back to the Fund at any time (subject to the *Corporations Act 2001* and the Fund's Constitution) based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) which approximates fair value at the end of the reporting year if unitholders exercised their right to redeem units in the Fund.

### (f) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. The carrying amount of cash approximates fair value.

### (g) Investment income

Interest income is recognised in the statement of comprehensive income for all financial instruments that are not held at fair value through profit and loss using the effective interest method. Other changes in fair value for such instruments are recorded in accordance with the policies described in note 2(d).

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense. The fund currently incurs withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax in the statement of comprehensive income.

Trust distributions are recognised on an entitlement basis.

### (h) Expenses

All expenses are recognised in the statement of comprehensive income on an accruals basis.

### (i) Income tax

Under current legislation, the Fund is not subject to income tax as unitholders are presented entitled to the income of the Fund.

The benefits of imputation credits paid are passed on to unitholders.

### (j) Distributions

In accordance with the Fund's Constitution, the Fund distributes income adjusted for amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. The distributions are recognised in the statement of comprehensive income as finance costs attributable to unitholders.

## 2 Summary of significant accounting policies (continued)

### (k) Change in net assets attributable to unitholders

Income not distributed is included in the net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the statement of comprehensive income.

### (l) Due from/to brokers

Amounts due from/to brokers (if applicable) represent payables for securities purchased and receivables for securities sold that have been contracted for but not yet delivered by the end of the year. Trades are recorded on trade date, and normally settled within two business days. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant broker. Indicators that the amount due from brokers is impaired includes significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation and default in payments.

### (m) Receivables

Receivables may include amounts for dividends, interest and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in note 2(g) above. Amounts are generally received within 30 days of being recorded as receivables. The carrying amount of receivables approximates fair value.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial.

### (n) Other Payables

Other Payables include liabilities and accrued expenses owing by the Fund which are unpaid as at the end of the reporting year.

The distribution amount payable to unitholders as at the reporting date is recognised separately in the statement of financial position when unitholders are presently entitled to the distributable income.

### (o) Applications and redemptions

Applications received for units in the Fund are recorded net of any entry fees payable (if applicable) prior to the issue of units in the Fund. Redemptions from the Fund are recorded gross of any exit fees payable (if applicable) after the cancellation of units.

### (p) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties such as custodial services and investment management fees have been passed onto the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC) at a rate of at least 55% to 85%, hence investment management fees, custodial fees and other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

### (q) Rounding of amounts

The Fund is an entity of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the financial report and the directors' report have been rounded off to the nearest thousand dollars or nearest dollar, unless otherwise stated.

### 3 Net assets attributable to unitholders

Movements in number of units and net assets attributable to unitholders during the year were as follows:

	Year ended 30 June 2016		Year ended 30 June 2015	
	No. of units '000	Amount \$'000	No. of units '000	Amount \$'000
<b>Net assets attributable to unitholders</b>				
Opening balance	34,430	352,161	17,518	196,872
Applications	2,100	19,672	17,300	192,898
Redemptions	(1,600)	(14,704)	(500)	(5,586)
Units issued upon reinvestment of distributions	193	1,802	112	1,231
Change in net assets attributable to unitholders	-	(51,171)	-	(33,254)
<b>Closing balance</b>	<b>35,123</b>	<b>307,760</b>	<b>34,430</b>	<b>352,161</b>

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund (subject to applicable ASIC relief).

#### Capital risk management

The Fund considers its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of eligible unitholders.

Daily applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets on a daily basis by the Responsible Entity. Under the terms of the Fund's Constitution, the Responsible Entity has the discretion to reject an application for units and to extend the year allowed for satisfaction of redemption of units or reject or spread redemptions in specified circumstances.

### 4 Dividend and distribution income

	Year ended	
	30 June 2016 \$'000	30 June 2015 \$'000
Dividend income	16,929	14,333
Trust distribution income	696	289
	<b>17,625</b>	<b>14,622</b>

Distributions from listed managed investment funds are recognised as income on the date the unit is quoted ex-distribution with any related foreign withholding tax recognised as a tax expense.

### 5 Net losses on financial instruments held at fair value through profit or loss

	Year ended	
	30 June 2016 \$'000	30 June 2015 \$'000
Net unrealised loss on financial instruments held at fair value through profit or loss	(33,142)	(9,477)
Net realised gain/(loss) on financial instruments held at fair value through profit or loss	1,410	(7,530)
<b>Total net losses on financial instruments held at fair value through profit or loss</b>	<b>(31,732)</b>	<b>(17,007)</b>



## 6 Distributions to unitholders

The distributions paid/payable for the year were as follows:

	Year ended 30 June 2016		Year ended 30 June 2015	
	\$'000	CPU	\$'000	CPU
<b>Distributions</b>				
Distribution paid - September	10,307	29.40	6,958	27.04
Distribution paid - December	9,374	26.39	9,183	31.07
Distribution paid - March	7,446	21.11	5,891	20.04
Distribution payable - June	6,466	18.41	5,538	16.08
Total distributions	33,593	95.31	27,570	94.23

## 7 Reconciliation of operating loss to net cash inflow from operating activities

	Year ended	
	30 June 2016	30 June 2015
	\$'000	\$'000
<b>(a) Reconciliation of operating loss to net cash inflow from operating activities</b>		
Proceeds from maturity/sale of financial instruments held at fair value through profit or loss	-	-
Purchase of financial instruments held at fair value through profit or loss	-	-
Net losses on financial assets held at fair value through profit or loss	31,732	17,007
Net change in receivables	(473)	(1,971)
Net change in payable and other liabilities	(37)	135
<b>Net cash inflow from operating activities</b>	<b>13,644</b>	<b>9,487</b>
<b>(b) Components of cash and cash equivalents</b>		
Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the statement of financial position as follows:		
Cash and cash equivalents	3,644	4,678
	<b>3,644</b>	<b>4,678</b>
<b>(c) Non-cash financing and investing activities</b>		
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	1,802	1,231
	<b>1,802</b>	<b>1,231</b>

## 8 Financial instruments held at fair value through profit or loss

	As at	
	30 June 2016	30 June 2015
	\$'000	\$'000
<b>Financial assets</b>		
<i>Designated at fair value through profit or loss</i>		
Listed equities	282,520	332,061
Listed unit trusts	26,578	20,958
<b>Total financial assets held at fair value through profit or loss</b>	<b>309,098</b>	<b>353,019</b>
<b>Financial liabilities</b>		
<i>Held for trading</i>		
Derivatives (options)	2,006	2,846
<b>Total financial liabilities held at fair value through profit or loss</b>	<b>2,006</b>	<b>2,846</b>

An overview of the risk exposures relating to financial assets and liabilities is included in note 11.

## 9 Receivables

	As at	
	30 June 2016	30 June 2015
	\$'000	\$'000
Dividends receivable	3,501	3,023
Due from broker	132	-
GST receivable	59	64
<b>Total receivables</b>	<b>3,692</b>	<b>3,087</b>

## 10 Other payables

	As at	
	30 June 2016	30 June 2015
	\$'000	\$'000
Management fees payable	151	178
Expenses recoveries payable	51	61
<b>Total other payables</b>	<b>202</b>	<b>239</b>

## 11 Financial risk management

### (a) Objectives, strategies, policies and processes

The Fund is an exchange traded managed fund that primarily invests in a portfolio of securities listed on the ASX as well as exchange traded derivative instruments and cash and cash equivalents.

The Fund's activities expose it to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), counterparty risk, credit risk and liquidity risk. The Fund uses different methods to measure different types of risk to which it is exposed. Methods include sensitivity analysis in case of price risk.

The Fund's overall risk management program focuses on ensuring compliance with the Fund's Product Disclosure Statement and seeks to maximise the returns derived for the level of risk to which the Fund is exposed. Financial risk management is carried out by an investment manager under policies approved by the Board of Directors of the Responsible Entity (the Board).

The Board of Directors of the Responsible Entity has overall responsibility for the establishment and oversight of the Fund's risk management framework. The Fund's overall risk management program focuses on ensuring compliance with the Fund's Product Disclosure Statement and Investment Guidelines.

Compliance with the Fund's Produce Disclosure Statements, Constitution and Investment Guidelines are reported to the Board on a regular basis.

### (b) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other market prices will affect the Fund's income or the carrying value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

#### (i) Price risk

The Fund is exposed to securities and derivatives price risk. This arises from investments held by the Fund for which prices in the future are uncertain. Securities and derivatives are classified in the statement of financial position at fair value through profit or loss. All securities investments present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

The Fund's overall market positions are reported to the Board on a regular basis.

Net assets attributable to unitholders include investments in equity securities, unit trusts and options. At 30 June 2016, the overall market exposures were as follows:

	As at	
	30 June 2016	30 June 2015
	\$'000	\$'000
Equity securities, unit trusts and options held at fair value through profit or loss	309,098	353,019

#### Sensitivity Analysis

A 10% movement at the report date of the market prices attributable to financial assets or financial liabilities by the Fund would have the following impact on the Fund's operating profit/(loss) and net assets attributable to Unitholders. The calculations include the impact of any derivatives that may be held by the Fund. It is assumed that the relevant change occurs at the balance date.

	As at	
	30 June 2016	30 June 2015
	\$'000	\$'000
+10% Price movement - impact on the Fund's operating profit/(loss) and net assets attributable to unitholders	19,245	24,359
-10% Price movement - impact on the Fund's operating profit/(loss) and net assets attributable to unitholders	(28,986)	(34,616)

## 11 Financial risk management (continued)

### *(ii) Foreign currency risk*

Foreign exchange risk arises as the value of monetary assets and liabilities denominated in other currencies will fluctuate due to changes in the exchange rates. The Fund has no direct foreign exchange risk exposure as the Fund operates solely in Australia and all the Fund's assets and liabilities are denominated in Australian currency.

### *(iii) Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market rates. Interest rate risk is not considered to be significant to the Fund other than its cash holdings. The Fund is exposed to interest rate risk on its cash holdings. Interest income from cash holdings is earned at variable interest rates. Investments in cash holdings are at call.

### **(c) Credit risk**

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund.

The Fund holds no collateral as security or any other credit enhancement. The maximum exposure to credit risk at the end of each reporting year is the carrying amount of the financial assets. None of these assets are impaired nor past due but not impaired.

There are no material concentrations of credit risk at 30 June 2016 and 30 June 2015.

None of the financial assets and financial liabilities is offset in the statement of financial position. There are no assets or liabilities that are subject to an enforceable master netting arrangement or similar agreement.

### **(d) Liquidity risk**

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. The Fund is exposed to daily cash redemptions of redeemable units. It primarily holds investments that are traded in an active market and can readily be disposed of.

#### *(i) Cash and cash equivalents*

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of AA- or higher (as determined by Standard & Poor's or equivalent rating agency).

The custody of the Fund's assets is mainly concentrated with one counterparty, namely RBC Investor Services Trust. RBC Investor Services Trust is a wholly-owned subsidiary of the Royal Bank of Canada which is a member of a major securities exchange and at 30 June 2016 had a credit rating of AA- (S&P) and Aa3 (Moody's) (2015: AA- (S&P) and Aa3 (Moody's)). At 30 June 2016, substantially all cash and cash equivalents, balances due from brokers and investments are held in custody by RBC Investor Services Trust.

In accordance with the Fund's policy, the Responsible Entity monitors the Fund's credit position on a regular basis.

#### *(ii) Settlement of securities transactions*

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment. Payment is made once purchase on the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

## 11 Financial risk management (continued)

### (d) Liquidity risk (continued)

(iii) Other

The Fund is not materially exposed to credit risks on other financial assets.

*Maturity analysis for financial liabilities*

At 30 June 2016

	On demand \$'000	Less than 6 months \$'000	Greater than 6 months \$'000	Total \$'000
Distributions payable	-	6,466	-	6,466
Financial liabilities held at fair value through profit or loss	-	2,006	-	2,006
Payables	-	202	-	202
Net assets attributable to unitholders	307,760	-	-	307,760
Total financial liabilities	307,760	8,674	-	316,434

At 30 June 2015

	On demand \$'000	Less than 6 months \$'000	Greater than 6 months \$'000	Total \$'000
Distributions payable	-	5,538	-	5,538
Financial liabilities held at fair value through profit or loss	-	2,846	-	2,846
Payables	-	239	-	239
Net assets attributable to unitholders	352,161	-	-	352,161
Total financial liabilities	352,161	8,623	-	360,784

## 12 Fair value measurements

### Fair value estimation

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The carrying amounts of the Fund's assets and liabilities at the end of each reporting period approximate their fair values.

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in statement of comprehensive income.

#### (i) Fair value in an active market (Level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The Fund values its investments in accordance with the accounting policies set out in note 2. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

The quoted market price used for financial assets held by the Fund is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price. When the Fund holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

## 12 Fair value measurements (continued)

### Fair value estimation (continued)

#### (ii) Fair value in an inactive or unquoted market (Level 2 and Level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

Options are measured by the quoted market prices, or binding dealer quotations in the exchange or where they are listed or held.

#### (iii) Recognised fair value measurements

The tables below set out the Fund's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 30 June 2016 and 30 June 2015.

At 30 June 2016	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets designated at fair value through profit or loss				
Listed equities	282,520	-	-	282,520
Listed unit trusts	26,578	-	-	26,578
<b>Total assets</b>	<b>309,098</b>	<b>-</b>	<b>-</b>	<b>309,098</b>
<b>Financial liabilities</b>				
Financial liabilities held for trading - Listed options	2,006	-	-	2,006
<b>Total liabilities</b>	<b>2,006</b>	<b>-</b>	<b>-</b>	<b>2,006</b>
At 30 June 2015	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Financial assets designated at fair value through profit or loss				
Listed equities	332,061	-	-	332,061
Listed unit trusts	20,958	-	-	20,958
<b>Total assets</b>	<b>353,019</b>	<b>-</b>	<b>-</b>	<b>353,019</b>
<b>Financial liabilities</b>				
Financial liabilities held for trading - Listed options	2,846	-	-	2,846
<b>Total liabilities</b>	<b>2,846</b>	<b>-</b>	<b>-</b>	<b>2,846</b>

#### (iv) Transfers between levels

There were no transfers between levels during the period ended 30 June 2016 and 30 June 2015.

#### (v) Movement in level 3 instruments

There were no investments classified as level 3 within the Fund as at 30 June 2016 and 30 June 2015.

#### (vi) Fair value of financial instruments not carried at fair value

The carrying value of trade receivables and trade payables approximate their fair values.

Net assets attributable to unit holders' carrying value differs from its fair value (deemed to be redemption price for individual units) due to differences in valuation inputs. The difference is not material in the current period.

### 13 Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The gross and net positions of financial assets and liabilities that have been offset in the statement of financial position are disclosed in the first three columns of the following table:

	Effects of offsetting on the statement of financial position			Related amounts not offset in statement of financial position		
	Gross amounts of financial assets \$'000	Gross amounts set off in the statement of financial position \$'000	Net amount of financial assets presented in the statement of financial position \$'000	Financial instruments (including non-cash collateral) \$'000	Cash collateral pledged \$'000	Net amounts \$'000
<b>As at 30 June 2016</b>						
Listed financial assets	309,098	-	309,098	-	-	309,098
Derivative financial instruments	(2,006)	-	(2,006)	-	-	(2,006)
<b>Total</b>	<b>307,092</b>	<b>-</b>	<b>307,092</b>	<b>-</b>	<b>-</b>	<b>307,092</b>

	Effects of offsetting on the statement of financial position			Related amounts not offset in statement of financial position		
	Gross amounts of financial assets \$'000	Gross amounts set off in the statement of financial position \$'000	Net amount of financial assets presented in the statement of financial position \$'000	Financial instruments (including non-cash collateral) \$'000	Cash collateral pledged \$'000	Net amounts \$'000
<b>As at 30 June 2015</b>						
Listed financial assets	353,019	-	353,019	-	-	353,019
Derivative financial instruments	(2,846)	-	(2,846)	-	-	(2,846)
<b>Total</b>	<b>350,173</b>	<b>-</b>	<b>350,173</b>	<b>-</b>	<b>-</b>	<b>350,173</b>

### 14 Auditor's remuneration

During the year the following fees were paid or payable for services provided by the auditor of the Fund. Audit fees were borne by the Responsible Entity.

	Year ended	
	30 June 2016	30 June 2015
	\$	\$
KPMG Australia		
<i>Audit and other assurance services</i>		
Audit and review of financial reports	8,505	8,100
Audit of compliance plan	1,200	1,800
Total remuneration for audit and other assurance services	<b>9,705</b>	<b>9,900</b>

### 15 Related party transactions

#### Responsible Entity

The Responsible Entity of BetaShares Australian Top 20 Equity Yield Maximiser Fund (managed fund) is BetaShares Capital Ltd.

The Responsible Entity has appointed Horizons ETFs Management (Canada) Inc. to provide investment advisory services in connection with the Fund. Horizons ETFs Management (Canada) Inc. has an ownership interest in the Responsible Entity's parent company.

## 15 Related party transactions (continued)

### Key management personnel

#### (a) Directors

Executive Directors:

David Nathanson (appointed 21 September 2009)

Alex Vynokur (appointed 21 September 2009)

Non-Executive Directors:

Howard Atkinson (Appointed 2 March 2010, resigned 12 August 2015)

Taeyong Lee (appointed 12 August 2015)

Thomas Park (appointed 12 August 2015)

#### (b) Other key management personnel

There were no other persons with responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly during the financial year.

#### (c) Responsible Entity fees and other transactions

The Responsible Entity's fees are calculated in accordance with the Fund's constitution. The Fund pays to the Responsible Entity a fee equal to 0.59% p.a. (2015: 0.59% p.a.) of the net asset value of the Fund and it is also entitled to be paid an amount of up to 0.20% (2015: 0.20%) for cost recoveries (after taking into account GST and reduced input tax credits) and is disclosed in the statement of comprehensive income.

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable at year end between the Fund and the Responsible Entity were as follows:

	Year ended	
	30 June 2016	30 June 2015
	\$	\$
Management fees expensed to the Responsible Entity	1,939,329	1,837,254
Management fees payable to the Responsible Entity at the reporting date	151,212	178,122
Expense recoveries expensed to the Responsible Entity	772,109	653,931
Expense recoveries payable to the Responsible Entity at the reporting date	51,258	60,381
Investment advisor fees borne by the Responsible Entity	623,299	580,969
Investment advisor fees payable by the Responsible Entity at the reporting date	1,421,795	580,969

## 16 Derivative financial instruments

In the normal course of business the Fund enters into transactions in certain derivative financial instruments with certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include many different instruments such as forwards, futures and options. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Fund's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and include:

- hedging to protect an asset or liability of the Fund against a fluctuation in market values or to reduce volatility;
- a substitution for trading of physical securities;
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

## 16 Derivative financial instruments (continued)

### Exchange traded options

An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set year, a specific amount of securities or a financial instrument at a predetermined price. The seller receives a premium from the purchaser in consideration for the assumption of future securities price risk. The Fund's use of options is limited to selling exchange-traded call options over indices or over equity securities held by the Fund.

The Fund's derivative financial instruments at year end are detailed below:

	Contract/ notional \$'000	Fair values Assets \$'000	Liabilities \$'000
<b>As at 30 June 2016</b>			
Listed Options	209,343	-	2,006
	<u>209,343</u>	<u>-</u>	<u>2,006</u>
<b>As at 30 June 2015</b>			
Listed Options	293,873	-	2,846
	<u>293,873</u>	<u>-</u>	<u>2,846</u>

## 17 Events occurring after the reporting year

No significant events have occurred since the reporting year which would impact on the financial position of the Fund disclosed in the balance sheet as at 30 June 2016 or on the results and cash flows of the Fund for the year ended on that date.

## 18 Contingent assets and liabilities and commitments

There are no outstanding contingent assets and liabilities or commitments as at 30 June 2016 (2015: nil).



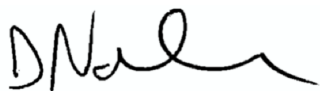
## Directors' declaration

In the opinion of the directors of Betashares Capital Limited, the responsible entity of Betashares Australian Top 20 Equity Yield Maximiser Fund (managed fund):

- (a) the financial statements and notes set out on pages 5 to 23 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
  - (ii) giving a true and fair view of the Fund's financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

The directors draw attention to Note 2(a) of the financial reports which contains a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors of Betashares Capital Limited.



David Nathanson  
Director



Alex Vynokur  
Director

Sydney  
27 September 2016



## **Independent auditor's report to the unitholders of BetaShares Australian Top 20 Equity Yield Maximiser Fund (managed fund)**

### **Report on the financial report**

We have audited the accompanying financial report of BetaShares Australian Top 20 Equity Yield Maximiser Fund (managed fund) ("the Scheme"), which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 18 comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

#### *Directors' responsibility for the financial report*

The directors of BetaShares Capital Limited ("the Responsible Entity") are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In note 2(a), the directors of the Responsible Entity also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Scheme's financial position, and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

*Auditor's opinion*

In our opinion:

- (a) the financial report of BetaShares Australian Top 20 Equity Yield Maximiser Fund (managed fund) is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Scheme's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a).

KPMG

Tanya Gilerman

*Partner*

Sydney

27 September 2016