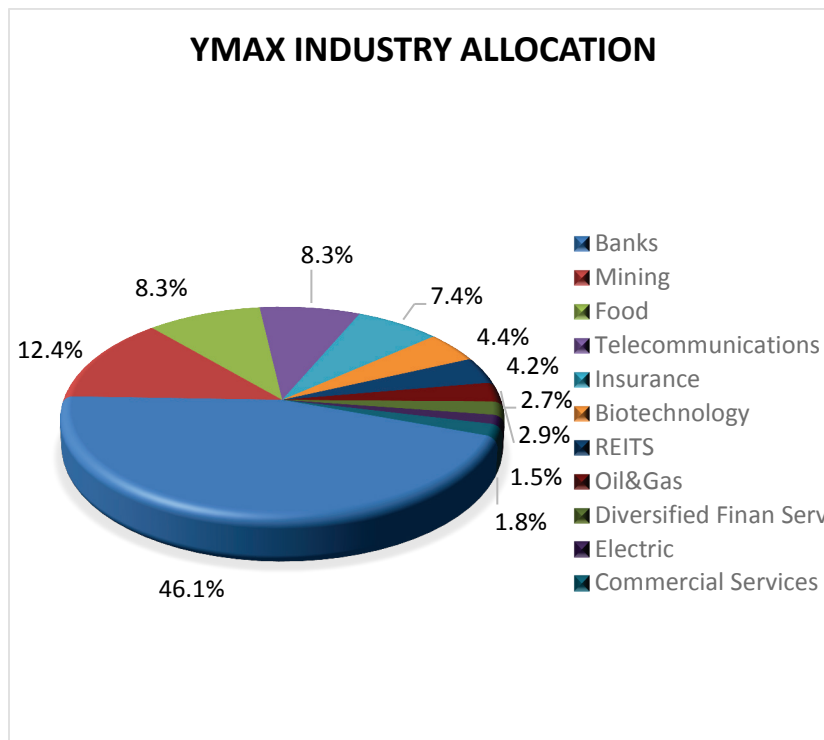


YMAX Commentary – July 2015 (June Option Period)
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Source: Bloomberg, as of 2 July, 2015.

YMAX: ASX

NAV per unit (June 25)	\$10.7403
NAV per unit (May 28)	\$10.7461

May Option Period Returns

YMAX Total Return	-0.05%
S&P/ASX 20 Total Return	-0.25%
Over (Under) Performance	0.20%

June Options at Inception

1-Mth Implied Vol.	20.89%
Portfolio Delta	-0.19
% Portfolio Written	75%

July Options at Inception

1-Mth Implied Vol.	18.46%
Portfolio Delta	-0.21
% Portfolio Written	77%

Distribution Per Unit History (by ex-date)

1 July 2014	\$0.1598
1 October 2014	\$0.2704
1 January 2015	\$0.3107
2 April 2015	\$0.2004
1 July 2015	\$0.1608

The YMAX total return was -0.05% between 28 May 2015 and 25 June 2015 (“June Option Period”). The S&P/ASX 20 Index (“S&P/ASX 20” or “Index”) total return was -0.25%, and YMAX outperformed by 0.20% for the June Option Period. Volatility continued to be the prevailing theme as the Index rose initially following the roll into June option coverage but then experienced a sharp decline of about -5% and then a subsequent rebound of similar magnitude into expiry week. The selloff and rebound were fairly broad based, although consumer discretionary, insurance and industrials names failed somewhat to participate in the ensuing rally. In all, most YMAX constituents experienced volatile moves during the June Option Period which provided an opportunity to inexpensively repurchase some of the written call options, resulting in reduced risk to the portfolio. The S&P/ASX 200 Consumer Staples Index dropped -7.00% during the June Option Period. Industrials names also fared poorly in the period with a -5.26% drop. The S&P/ASX 200 Telecom Index bucked the trend and led all positive sectors with a 2.15% rise in the period. Financials also performed well, rising 1.15%. Once again, YMAX managed a very successful 96% call premium capture for the period due to the generally lackluster period to period performance of most constituents. Weighted average call implied volatility declined from 20.89% at the beginning of the June Option Period to a slightly more relaxed 18.46% on 29 June 2015, which resulted in YMAX writing slightly closer-to-the-money options for the commencement of the July Period. July options were written approximately 2.33% out-of-the-money (“OTM”) on 77% of the portfolio as of 30 June 2015. We continue to implement S&P/ASX 200 Index option coverage to mitigate some of the upside single name performance risk going forward. S&P/ASX 200 Index calls, while generally traded at lower implied volatility, can potentially smooth out the single-name impact over time resulting in a better total return profile in an upward trending market. The use of S&P/ASX 200 Index option coverage can also allow the fund to increase overall written coverage levels while decreasing the aforementioned call away risk from similar higher single name coverage. More recent higher general implied volatility levels for the Index as well as single name options have also allowed for increased overall call coverage in the fund. We are currently targeting 25% of overall exposure for S&P/ASX 200 Index option coverage in YMAX – which will be monitored and adjusted if necessary. In the previous period BHP Billiton’s (“BHP”) spinoff of South32 (“S32”) was completed, which resulted in this additional constituent being added to the Index and YMAX. South32 was dropped from both the Index and YMAX on 18 June 2015. No options were traded in the name.

Banks (portfolio weight: 46.1%)

The sector continues to be the most significant equity component in the portfolio and contributes greatly to the overall YMAX performance. After falling sharply earlier in the period, the S&P/ASX 200 Financial Index increased by 1.15% however large cap YMAX banking names significantly outperformed with an average increase of 2.58%. Australia and New Zealand Bank (“ANZ”), National Australia Bank (“NAB”) increased by 2.2%, 3.02% and 4.54% respectively. Westpac Banking Corp (“WBC”) had the narrowest increase at 0.57%. The early period selloff provided an opportunity to inexpensively repurchase some of the written call options, resulting in reduced risk to the portfolio in the ensuing rally. This overall performance resulted in higher buyback costs for some constituents, but overall a net positive premium contribution to the portfolio.

Mining (portfolio weight: 12.4%)

Iron ore names remain a large weighting in the YMAX portfolio. The mining constituents, Rio Tinto (“RIO”) and BHP fell by -3.50% and -2.36% respectively in the June period. Implied volatility also increased, albeit slightly, during the period and remains one of the highest implied levels in the YMAX portfolio. All June option premiums were successfully retained in the mining sector.

Food (portfolio weight: 8.3%)

One of YMAX’s two constituents in this sector continued to come under significant pressure in the June Period. Woolworths (“WOW”) decreased by -5.82%, however Wesfarmers (“WES”) slid by a YMAX worst -8.46% during the period, about in line with the S&P/ASX 200 consumer staples sector performance, which fell by -7.00% over the same period. Call options provided net positive premium to the YMAX portfolio as all premiums were retained in both names. WOW and WES implied volatility increased during the June Option Period and continue to be compelling for continued covered call writing.

Telecommunications (portfolio weight: 8.3%)

Telstra Corporation (“TLS”), the sole portfolio constituent in the telecommunications sector, performed almost in lockstep with the S&P/ASX 200 Telecommunications Index in the June period. TLS increased 2.28% with the Telecom Index up a similar 2.15% over the same period. While one strike was threatened during the last moments of expiry, net option premium ended up positive in the period. YMAX coverage in TLS remains low to achieve an acceptable level of risk/reward relative to the remaining portfolio.

The addition of Index coverage has allowed us to lower coverage in select names such as TLS, which are deemed to be less compelling for covered call writing.

Insurance (portfolio weight: 7.4%)

The four insurance names again experienced diverging performances in the June Option Period. QBE Insurance (“QBE”) gave back some of the previous period’s solid performance with a -2.54% decline in the period. Insurance Australia Group Ltd (“IAG”) increased 1.42% in the June Period. AMP Limited (“AMP”) fell a sector worst -6.53% while Suncorp FPO (“SUN”) increased 2.16% over the same period. Premiums were successfully retained in most strikes in the insurance names.

Biotechnology (portfolio weight: 4.4%)

The only constituent in the biotechnology sector is CSL Limited (“CSL”), which continued to fall for a second consecutive month after a strong first half to 2015. CSL dropped by -4.04% in the June Option Period. Again all original written option premiums were retained in the name. Implied volatility was relatively unchanged from the prior period.

REITS (portfolio weight: 4.2%)

Westfield Corporation (“WFD”) and Scentre Group (“SCG”) are the two constituents in this sector. WFD fell again by -1.80% and SCG dropped by -1.53% in the June Option Period. Both WFD and SCG were written approximately 3% OTM on 29% of the position, with coverage staggered over two expiry periods. Low priced constituents can create challenges in targeting effective option premiums to sell. As such, lower levels of coverage continue to be appropriate. However, even with a significant move up in SCG performance was entirely contained within the June strike. WFD and SCG implied volatility stood unchanged from the previous period.

Oil & Gas (portfolio weight: 2.7%)

Australia’s biggest oil producer Woodside Petroleum (“WPL”) is the sole YMAX oil and gas constituent. While crude oil exhibited stability WPL began to weaken with a -2.03% loss in the June Option Period. The bulk of written premiums were retained and provided net positive option premium to the YMAX portfolio. Implied volatility moved up slightly in the period and remains very favourable for call writing and yield enhancement.

Diversified Financial Services (portfolio weight: 2.9%)

This sector’s only constituent, Macquarie Group Ltd (“MQG”), resumed a strong overall 2015 performance with a 2.51% rally in the June Option Period. Implied



volatility has again relaxed following some higher levels seen in recent periods. This is a reflection of the more subdued day to day movement recently observed in MQG.

Electric (portfolio weight: 1.5%)

Origin Energy Limited ("ORG"), one of Australia's leading integrated energy companies, gave back some of its hard earned gains in the prior period with a -2.34% fall in the June Option Period. This resulted in positive net premiums for this name. Implied vols remain elevated and compelling for yield enhancement through covered call writing.

Commercial Services (portfolio weight: 1.8%)

The lone name in the sector is Brambles ("BXB"), which has been decidedly volatile over the past few periods, and once again reversing course to close the June period -7.12%. A staggered duration approach has been adopted in BXB to maintain adequate coverage in this lower priced name. At-the-money implied volatility increased somewhat, which YMAX used to write July call options at the June expiry.

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