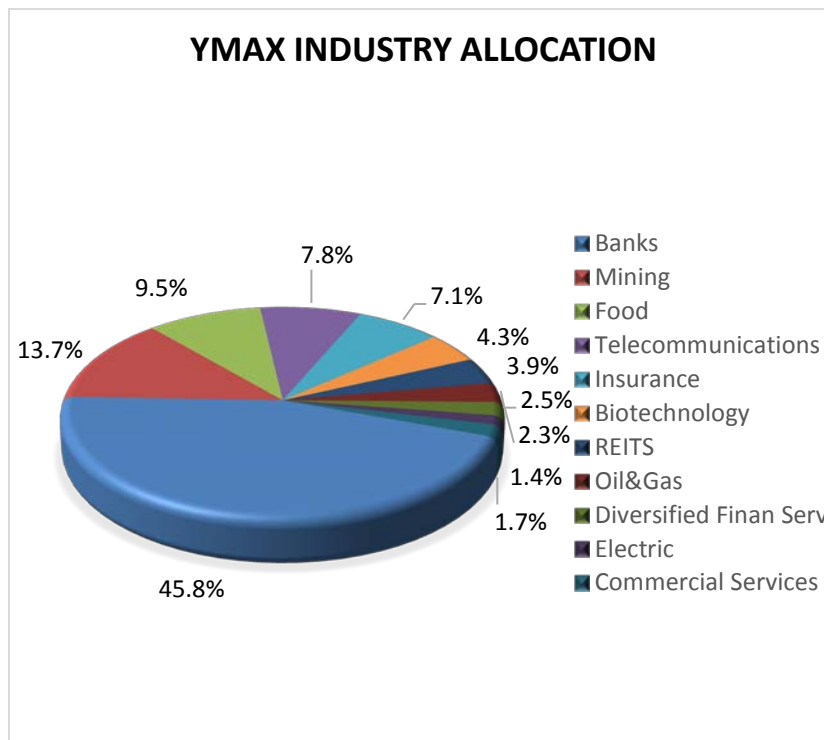


**YMAX commentary – March 2015 (February Option Period)
Adviser Use Only**


Source: Bloomberg, as of 1 Mar, 2015.

The YMAX total return was 4.08% between 29 January 2015 and 26 February 2015 (“February Option Period” or “February Period”). For the February Period, the S&P/ASX 20 Index (the “S&P/ASX 20” or “Index”) total return was 6.91%, thus YMAX underperformed the Index by 2.83%. Investors welcomed stability in commodity prices and cheered a cash rate cut by the Reserve Bank of Australia as equities moved sharply higher in the period. Higher yielding names were aggressively bought up as investors sought to shore up equity yield holdings in the face of a weakening economic backdrop and possible further rate cuts. Iron ore names finally reversed multiple months of persistent weakness to post impressive gains in the period. Materials and energy names were the standout performing sectors, a departure from more recent price action in those areas. Consumer staples and healthcare sectors built upon recent positive performance and moved strongly higher. YMAX’s energy components continued to be volatile, but finally found some stable footing and ultimately posted strong overall gains as the price of crude rose following a severe drop over the past six months. Once again, standout performances from banks and some insurers brought strength to the Index and thus were heavy contributors to the large gain in the February Period. Index gains were broad based with all major sector indices posting strong moves higher. Most strikes across YMAX names had difficulty containing the significant upward trajectory that we observed. This resulted in a larger than normal number of higher buyback costs in the fund. The top performing YMAX constituent was QBE Insurance (“QBE”), with an uncharacteristic outsized move higher. The bottom performing constituent interestingly was also an insurance name, Insurance Australia Group Ltd (“IAG”). The weighted average YMAX constituent return was 6.3%, slightly lower than the previous period’s 7.29%, resulting in a second month of overall net negative option premium. The high point delta for the YMAX portfolio was -0.53 in the February Option Period. Average implied volatility decreased from 17.23% for the February option positions to 16.65% for the March option positions and resulted in writing strikes slightly closer to the money, approximately 2.61% OTM. This small decrease in vol was somewhat expected as the tendency is generally for implied vols to fall into market strength. However it is worth noting that the Index move up proved to be so strong that implied volatility levels remained relatively elevated for the roll into March options. The YMAX March options were written to approximately 66% coverage and an initial portfolio delta of approximately -0.23.

YMAX: ASX

NAV per unit (January 29)	\$10.9572
NAV per unit (February 26)	\$11.4048

November Option Period Returns

YMAX Total Return	4.08%
S&P/ASX 20 Total Return	6.91%
Over (Under) Performance	(2.83)%

Feb Options at Inception

1-Mth Implied Vol.	17.23%
Portfolio Delta	-0.24
% Portfolio Written	74%

Mar Options at Inception

1-Mth Implied Vol.	16.65%
Portfolio Delta	-0.23
% Portfolio Written	66%

Distribution Per Unit History (by ex-date)

2 January 2014	\$0.35889
1 April 2014	\$0.20187
1 July 2014	\$0.15978
1 October 2014	\$0.27045
2 January 2015	\$0.31068

Banks (portfolio weight: 45.8%)

The sector continues to be the most significant equity component in the portfolio and thus tends to set the tone for overall performance in YMAX. The S&P/ASX 200 Financial Index posted a second consecutive month of strong gains, up 6.58%. Large cap YMAX banking names lagged somewhat with an average increase of 5.83%. Westpac ("WBC") rose 8.78%, Australia and New Zealand Bank ("ANZ") increased 6.71%, National Australia Bank ("NAB") continued with its torrid pace, up 5.97%, and Commonwealth Bank of Australia ("CBA") followed suit with a more muted 1.87% gain. This resulted in virtually all strikes being challenged and higher buyback costs in all banking names. Implied vols declined for the roll into February options despite the higher realized volatility. Risk premiums are slightly less compelling for covered call writing and coverage amounts have been adjusted for this sector.

Mining (portfolio weight: 13.7%)

Our two iron ore names remain a large weighting in the YMAX portfolio and followed up their January gains with a strong February Period. Good earnings results and cash flow numbers from BHP Billiton ("BHP") may have helped to entice investors into a beaten down sector, even against a continued backdrop of low iron ore pricing. Rio Tinto ("RIO") rose 11.66% and BHP Billiton ("BHP") moved higher by an impressive 15.92% in period. This performance resulted in higher cost buybacks in all written strikes. Implied vols remained favourable for March option writing opportunities. BHP and RIO options continue to be priced at some of the higher implied volatility levels observed in YMAX, second only to energy names.

Food (portfolio weight: 9.5%)

The two constituents in this sector had reversed a lackluster 2014 performance in January, and again rose in the February Period. Woolworths ("WOW"), which remained persistently weak for much of 2014, followed January's 7.48% rise with an almost equal 7.44% jump in the February Period. Wesfarmers ("WES") followed WOW with a 3.98% increase in the period. Together, WOW and WES performed roughly in line with the broader S&P/ASX 200 Consumer Staples Sector Index, which rose by 7.33%. All written option strikes were challenged resulting in higher buyback costs in both names. Implied vols again softened in response to strength in the sector.

Telecommunications (portfolio weight: 7.8%)

Telstra Corporation ("TLS"), the sole portfolio constituent in the telecommunications sector, finally paused during its recent push higher and posted a loss of -2.47% in the February Period. Thanks to a late period selloff only one of our two strikes was challenged, resulting in a mixed performance from a covered call perspective. TLS gave back some of its recent outperformance versus the broader S&P/ASX Telecomm Sector Index, which was up 1.03% in the February Period. We have reduced TLS coverage as realized volatility has been much too high over the past number of months to justify aggressive call writing.

Insurance (portfolio weight: 7.1%)

Results for the Insurance sector were mixed as it held both the top and bottom YMAX performers for the February Period. Previous to this period QBE Insurance ("QBE") had been a consistently lackluster performer for the past year. This was until late in the February Period, when it launched higher on an earnings report that revealed an unexpected big jump in year over year profit. QBE posted a whopping YMAX best performance of 24.69%. Strikes were challenged, and thus resulted in higher buyback costs for the name. Likewise, AMP Limited ("AMP") increased significantly, up 14.31%. Suncorp FPO ("SUN") fell -4.39% in the period and Insurance Australia Group Ltd ("IAG") reversed course with a YMAX worst -6.24% drop. From a covered call standpoint, performance was mixed as some strikes resulted in high buyback costs while option premiums for other strikes were fully harvested. IAG and SUN option premiums were fully captured. A staggered approach, similar to TLS, has been implemented to maintain appropriate levels of rolling coverage in IAG.

Biotechnology (portfolio weight: 4.3%)

The only constituent in this sector is CSL Limited ("CSL"), which posted a fifth consecutive period of gains, increasing by 3.30% in the February Period. This increase was again contained within the written strike and resulted in full option premiums collected for the period. Both absolute levels of implied vol and risk premiums remain generally low and less compelling for covered call writing. We continue to monitor implied volatility relative to realized volatility over 30 day periods to calculate the "risk premium".

REITS (portfolio weight: 3.9%)

Westfield Corporation (“WFD”) and Scentre Group (“SCG”) are the two constituents in this sector. Following exceptionally strong gains in the previous period WFD fell by -1.32% in the February Period. SCG paused after previous strong gains and was unchanged in the February Period. This resulted in all premiums harvested in both names. With generally poor options liquidity and low implied volatility levels in these names, we continue to be cautious when looking for acceptable call writing opportunities.

Oil & Gas (portfolio weight: 2.5%)

Australia’s biggest oil producer Woodside Petroleum (“WPL”) is the sole YMAX oil and gas constituent. Crude oil finally stabilized after a number of weak period showings. Likewise, following a number of months of severe drops WPL was able to post an increase of 3.44% in the February Period. But the move was contained below our strikes and thus all written call premiums were retained in the name. Risk premiums in this sector continue to remain very favourable for call writing and yield enhancement even though realized volatility has also remained elevated.

Diversified Financial Services (portfolio weight: 2.3%)

This sector’s only constituent, Macquarie Group Ltd (“MQG”), followed January’s strong 10.35% rise with an

even more torrid 16.29% move up in the February Period. This resulted in significantly higher buyback costs as all strikes finished the period ITM. Implied vols remain somewhat low and less inviting for yield enhancement through continued covered call writing. Coverage amounts have been appropriately adjusted.

Electric (portfolio weight: 1.4%)

Origin Energy Limited (“ORG”), one of Australia’s leading integrated energy companies, broke a streak of four consecutive down periods to post a 16.29% rise in the February Period. All written option strikes were challenged, resulting in higher cost buybacks in the name. ORG options continue to have some of the highest implied vols of the YMAX names.

Commercial Services (portfolio weight: 1.7%)

Our lone name in the sector is Brambles (“BXB”), which increased by 1.42% in the February Period. Even though a modest roll down proved unsuccessful this relatively modest rise in the equity resulted in an overall successful yield enhancement and net positive call income. Implied vols continue to trade at a premium to realized volatility and are compelling for continued covered call writing.

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