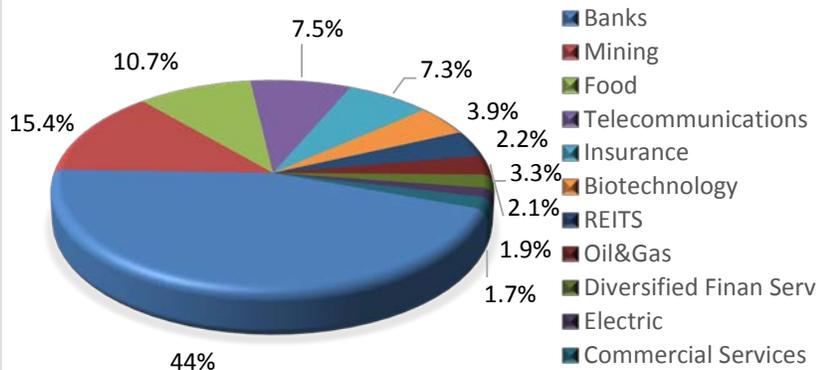


**YMAX Commentary – October 2015 (September Option Period)
Adviser Use Only**
YMAX INDUSTRY ALLOCATION


Source: Bloomberg, as of 3 October 2015.

YMAX: ASX

NAV per unit (Aug 27)	\$9.8976
NAV per unit (Sept 24)	\$9.6208

September Option Period Returns

YMAX Total Return	-2.80%
S&P/ASX 20 Total Return	-3.54%
Over (Under) Performance	0.74%

September Options at Inception

1-Mth Implied Vol.	28.31%
Portfolio Delta	-0.22
% Portfolio Written	78%

October Options at Inception

1-Mth Implied Vol.	25.6%
Portfolio Delta	-0.14
% Portfolio Written	75%

Distribution Per Unit History (by ex-date)

1 October 2014	\$0.2704
1 January 2015	\$0.3107
1 April 2015	\$0.2004
2 July 2015	\$0.1608
1 October 2015	\$0.2940

The YMAX total return was -2.80% between 27 August 2015 and 24 September 2015 (“September Option Period” or “Period”). The S&P/ASX 20 Index (“S&P/ASX 20” or “Index”) total return was -3.54%, and YMAX outperformed by 0.74% for the September Option Period. Market volatility remained elevated as the Index again fell in the first few days following the roll into September options coverage. The Index reached a near term low on 7 September 2015, approximately a 5% drop from the 27 August 2015 close. The Index stabilized and became range bound into the final days of the expiry period. Concerns about commodity weakness and slowing economic growth in China weighed on domestic and international equity markets, leading to a continuation of elevated implied volatility across most asset classes. Few YMAX constituents were spared from the selling pressure as 17 of 20 names fell, resulting in a high call premium capture in the period (99.5%). Energy names were weaker despite a rally in crude oil and materials names were weaker on softness in regional economies. Generally defensive sectors, such as utilities, decreased again in the September Period. A number of YMAX constituents experienced above average volatile moves during the September Option Period which provided an opportunity to inexpensively repurchase some of the written call options, resulting in reduced risk to the portfolio. Weighted average call implied volatility dropped from 28.31% at the beginning of the September Option Period to a still historically high level of 25.6% on 1 October 2015, which resulted in YMAX writing calls slightly closer to the money for the commencement of the September option cycle. October options were written approximately 2.54% out-of-the-money (“OTM”) on 83% of the portfolio as of 1 October 2015. We continue to utilize S&P/ASX 200 Index option coverage in YMAX to mitigate some of the upside single name performance call away risk. S&P/ASX 200 Index call implied volatility dropped slightly in the period as market concerns normalized slightly from the very elevated levels of August. The use of S&P/ASX 200 Index option coverage has also allowed the fund to increase overall written coverage levels while decreasing the aforementioned call away risk from similar higher single name coverage. We are maintaining a target of 25% of overall exposure for S&P/ASX 200 Index option coverage in YMAX, which will be monitored and adjusted as necessary. The bulk of index coverage has been successfully captured since applying this new measure to the strategy. A distribution of 0.2940 per unit was declared, payable 15 October, with an ex-distribution date of October 1.

Banks (portfolio weight: 44%)

The sector continues to be the most significant equity component in the portfolio and, therefore, contributes greatly to overall YMAX performance. S&P/ASX 200 Financial Index woes continued as it fell by -3.50% in the September Option Period, and once again YMAX large cap banking names fared slightly worse on average. Australia and New Zealand Bank (“ANZ”) and Commonwealth Bank of Australia (“CBA”) fell by -4.31% and -5.14% respectively during the September Option Period. National Australia Bank (“NAB”) tumbled -4.31% and Westpac Banking Corp (“WBC”) similarly fell -4.05% over the same period. All premiums were retained for a net positive premium contribution to the portfolio.

Mining (portfolio weight: 15.4%)

Iron ore names remain a large weighting in the YMAX portfolio. The S&P/ASX 200 Materials Index stabilized following a string of consecutive period retreats and posted a slim -0.06% in the September Period. YMAX mining constituents, Rio Tinto (“RIO”) and BHP Billiton (“BHP”), fared worse on average and fell by -1.04% and -5.03% respectively in the Period. Option pricing remained high and steady during the Period as these names continued to react swiftly to regional economic data and iron ore pricing. Implied volatility levels in this sector remain some of the more elevated in YMAX with both names in the low 40%. All September option premiums were successfully retained in the sector.

Food (portfolio weight: 10.7%)

The two food constituents in YMAX continued down in the September Option Period. Woolworths (“WOW”) plummeted -8.47% and Wesfarmers (“WES”) -4.61%. On average this was significantly worse than the S&P/ASX 200 Consumer Staples sector performance, which only fell by -3.24% over the same period. WOW and WES implied volatility increased during the September Option Period, in tandem with the tendency for ‘insurance premiums’ to rise into a weaker equity environment.

Telecommunications (portfolio weight: 7.5%)

Telstra Corporation (“TLS”), the sole portfolio constituent in the telecommunications sector, fell sharply in the September Option Period and underperformed the S&P/ASX 200 Telecommunications Index. TLS fell -3.05% with the Telecom Index down a less severe -2.18% over the same period. This resulted in all premiums successfully retained in the name. The addition of Index coverage has allowed us to lower coverage in select lower liquidity names such as TLS.

Insurance (portfolio weight: 7.3%)

The four YMAX insurance names posted a second consecutive period of weak performance in the September Option Period. QBE Insurance (“QBE”), Insurance Australia Group Ltd (“IAG”), AMP Limited (“AMP”) and Suncorp FPO (“SUN”) fell by -4.64%, -5.39%, -5.70% and -5.06% respectively over the period. This resulted in a net positive option contribution to the portfolio in all of these names. We continue to use a staggered duration approach in many of these names in order to maintain low yet nearer-the-money multi-month coverage for the group. Implied volatility remained elevated as a result of the group’s weak performance.

Biotechnology (portfolio weight: 3.9%)

The only constituent in the biotechnology sector is CSL Limited (“CSL”), which continued to slide and posted a -2.24% return in the September Option Period. This was one of the better overall performances in YMAX, a testament to how broadly weak the month’s overall performance was. This resulted in a second consecutive month of net positive premiums for the sector. Implied volatility relaxed mildly as compared to the prior period.

REITS (portfolio weight: 2.2%)

Westfield Corporation (“WFD”) and Scentre Group (“SCG”) are the two constituents in this sector, and were some of the few bright spots in the fund from an equity performance perspective. WFD and SCG increased 2.38% and 1.31% respectively in the September Option Period. These moves were well contained by the strike prices chosen and resulted in net positive option premium retained from this sector’s performance. Both WFD and SCG were written approximately 3.4% OTM on 36% of the position, with coverage continuing to be staggered over two near-term 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. WFD and SCG implied volatility moved down from the previous period.

Oil & Gas (portfolio weight: 3.3%)

Australia’s biggest oil producer Woodside Petroleum (“WPL”) is the sole YMAX oil and gas constituent. While crude oil finally turned strongly higher, WPL continued to struggle in the September Option Period. WPL fell by -6.35% and all call premiums were retained resulting in positive option premium to the YMAX portfolio. Implied volatility remained very elevated for the roll into October option positions.



Diversified Financial Services (portfolio weight: 2.1%)

This sector's only constituent, Macquarie Group Ltd ("MQG"), increased by 1.73% in the September Option Period, which was well contained by the written strikes. All call premiums were retained and implied volatility softened somewhat.

Electric (portfolio weight: 1.9%)

Origin Energy Limited ("ORG"), one of Australia's leading integrated energy companies, once again led all YMAX decliners for a third consecutive period and plummeted another -17.69% in the September Option Period. This selloff resulted in positive net premiums for the name. Implied volatility levels are some of the highest in YMAX

and remain compelling for yield enhancement through covered call writing.

Commercial Services (portfolio weight: 1.7%)

The lone name in the sector is Brambles ("BXB"), which continued to be volatile and fell a sharp -1.69% in the September Option Period. A staggered duration approach has been adopted in BXB to maintain adequate coverage in this lower priced name. At-the-money implied volatility relaxed following August's tempestuous general market movement. YMAX took advantage of the higher implied volatility when writing October call options at the September expiry.

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