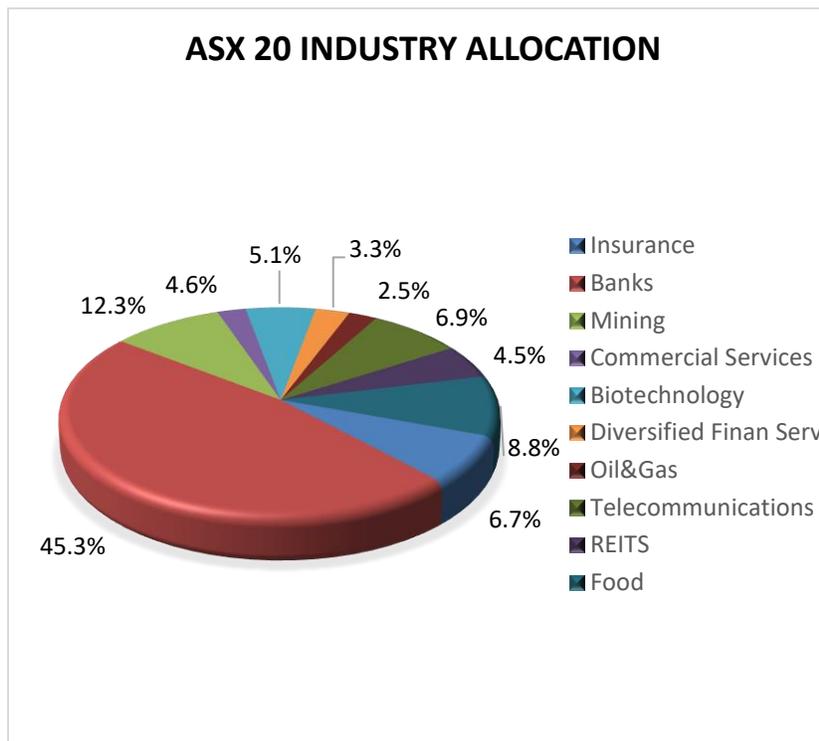


YMAX Commentary - December 2016 (November Option Period)
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Source: Bloomberg, as at 25 November 2016.

YMAX: ASX

NAV per unit (October 27)	\$8.8040
NAV per unit (November 24)	\$9.1272

November Option Period Returns

YMAX Total Return	3.67%
S&P/ASX 20 Total Return	5.49%
Over (Under) Performance	-1.82%

November Options at Inception

1-Mth Implied Vol.	17.46%
Portfolio Delta	-0.19
% Portfolio Written	81%

December Options at Inception

1-Mth Implied Vol.	16.60%
Portfolio Delta	-0.18
% Portfolio Written	81%

Distribution Per Unit History (by ex-date)

2 October 2015	\$0.2940
1 January 2016	\$0.2639
4 April 2016	\$0.2111
1 July 2016	\$0.1841
4 October 2016	\$0.2786

The YMAX total return was 3.67% between 27 October 2016 and 24 November 2016 (“November Option Period” or “Period”). The S&P/ASX 20 Index (“S&P/ASX 20” or “Index”) total return advanced 5.49% and YMAX underperformed by 1.82% in the November Option Period. The cycle was a volatile one as the broader share market slid lower in dramatic fashion, falling approximately 4.5% over the first 6 trading days. Markets were jittery ahead of a too-close-to-call US Presidential election that ultimately took place on 9 November. Despite an election result that was widely expected to be a negative outcome for global markets, global share market futures recovered on 9 November from steep overnight loss indications to begin a steady rally that would see the Index close near the cycle highs by the end of Period. Most Index sectors closed higher in the November Option Period, with the Energy and Materials sectors decidedly risk-on and putting in impressive rallies of more than 9% each. Safe haven sectors such as Healthcare and Utilities traded slightly lower, but only mildly. Broader option pricing softened with a weighted-average at the money implied volatility in the portfolio that decreased from 17.46% at the beginning of the November Option Period, to a level of 16.60% as at 24 November 2016, the end of the Period. S&P/ASX 200 Index implied volatility decreased somewhat from the prior period, approximately 12.56% as at 24 November 2016. The strength in the market throughout the second half of the period tested some of our strikes, resulting in some higher cost buybacks in both single name and Index options. This resulted in heavier underperformance versus the Index as upside was capped in several YMAX constituents. New Index option coverage was initiated and staggered over the week following expiry. November options were written approximately 3.51% OTM on 81% of the portfolio, with an -0.18 portfolio delta as at 29 October 2016.

Banks (portfolio weight: 45.3%)

The sector continues to be the most significant equity component in the portfolio and, therefore, contributes greatly to overall YMAX performance. The YMAX banking sector performance was positive with all four names up in the period. Overall performance however lagged versus the S&P/ASX 200 Financial Index which was better by 6.67%. Australia and New Zealand Bank (“ANZ”) moved higher by 0.82% and Westpac Banking Corp (“WBC”) increased 3.98% during the November Option Period. Commonwealth Bank of Australia (“CBA”) and National Australia Bank (“NAB”) also rose 7.45% and 4.64%, respectively, in the same period. Implied volatility in all banking names softened into the underlying equity strength. Many bank strikes were challenged and resulted in higher cost buybacks during the roll into new positions.

Mining (portfolio weight: 12.3%)

Iron ore names remain heavily weighted in the YMAX portfolio. The broader S&P/ASX 200 Materials Index launched higher by 9.04% in the period, however YMAX iron ore names performed even better. BHP Billiton (“BHP”) and Rio Tinto (“RIO”) were higher by 15.10% and 13.13%, respectively, in the November Option Period. Implied volatilities were lower into this strength. Strikes were severely challenged leading to higher cost buybacks in both names.

Food (portfolio weight: 8.8%)

Performances in the two YMAX food constituents were again oddly mixed in the November Period. Woolworths (“WOW”) fell by -5.24% while Wesfarmers (“WES”) rebounded 4.54% in the Period. On average, this was significantly worse than the S&P/ASX 200 Consumer Staples sector which rose 6.00% over the same period.

Telecommunications (portfolio weight: 6.9%)

Telstra Corporation (“TLS”), the sole portfolio constituent in the telecommunications sector, was completely unchanged in the Period. This was roughly in line with the broader S&P/ASX 200 Telecommunications Index which fell -0.05%. This resulted in a net positive option premium contribution to the portfolio. The addition of S&P/ASX 200 Index coverage has allowed YMAX to maintain lesser coverage in select lower liquidity and wider spread names. This methodology has kept buybacks to a minimum in TLS. TLS implied volatility was slightly higher into the equity weakness.

Insurance (portfolio weight: 6.7%)

YMAX insurance name performances were again somewhat mixed following consecutive periods of heavy weakness. Insurance Australia Group Ltd (“IAG”) and QBE Insurance Group (“QBE”) rose 1.44% and 11.23%, respectively, while Suncorp Group Ltd. (“SUN”) rose 2.05%. AMP Group Ltd. (“AMP”) fell by a YMAX worst - 7.77% in the November Period. Implied volatilities rose slightly in these names. Another strong QBE performance resulted in higher cost buybacks in the name, while premiums were retained in the others. We continue to use a staggered duration approach in a few of these names in order to maintain low, yet nearer-the-money, multi-month coverage for the group.

Biotechnology (portfolio weight: 5.1%)

The only constituent in the biotechnology sector is CSL Ltd. (“CSL”). CSL continued to slide and fell -0.79% in the November Period. All call premiums were retained in the name. Implied volatility in CSL was slightly higher into this weakness.

REITS (portfolio weight: 4.5%)

Westfield Corporation (“WFD”) and Scentre Group (“SCG”) are the two YMAX constituents in this sector. Although REITs have been under severe pressure since mid-July WFD managed to finally bounce 3.94% while SCG fell 0.95% during the Period. The movement resulted in a positive option premium contribution to the portfolio. Efforts continue to be made to stagger coverage in REIT names over the two near-term expiry months to maximize option premium benefits. The addition of S&P/ASX 200 Index coverage has allowed YMAX to benefit from lower coverage, in lower volatility names like SCG, which has kept buybacks to a minimum. Both WFD and SCG implied volatilities were slightly higher at end of period.

Oil & Gas (portfolio weight: 2.5%)

Australia’s biggest oil producer, Woodside Petroleum (“WPL”), is the sole YMAX oil and gas constituent. WPL soared 10.06% in the November Period. WPL options finished the Period well in-the-money, resulting in higher cost buybacks in the name. WPL implied volatility rose despite this equity strength.

Diversified Financial Services (portfolio weight: 3.3%)

Macquarie Group Ltd (“MQG”) is this sector’s only constituent. MQG rose by 5.60% in the November Option Period. Implied volatility fell sharply in the Period.



Commercial Services (portfolio weight: 4.6%)

Toll road operator, Transurban Corp ("TCL"), fell a minor -0.10% in the November Option Period. Brambles ("BXB") firmed by 5.60%. TCL and BXB call writing

resulted in a net positive option premium contribution to the portfolio. TCL and BXB near-month implied volatility levels were relatively unchanged.

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