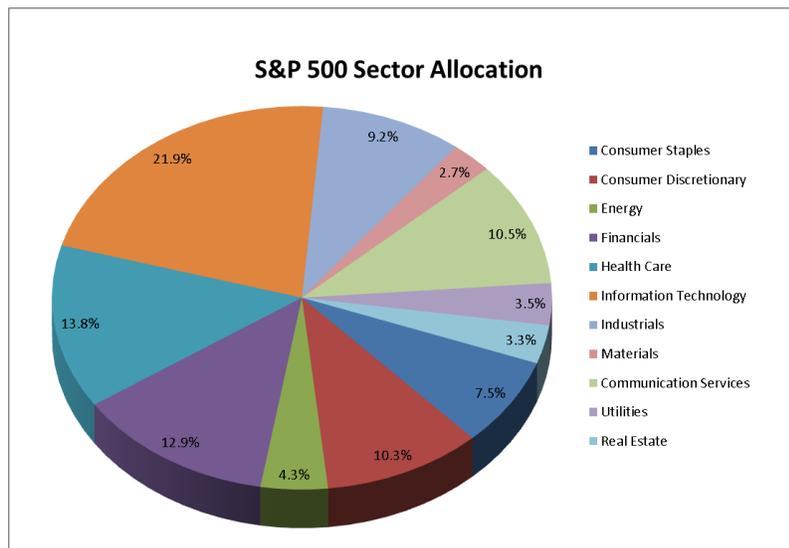


**UMAX commentary – November 2019 (October Option Period)**  
**Adviser Use Only**


Source: Bloomberg, as of 18 October 2019

**UMAX: ASX**

NAV per unit (October 18)	\$20.3552
NAV per unit (September 20)	\$20.7959

**October Option Period Returns**

UMAX Total Return	-0.87%
S&P 500 Total Return	-1.20%
Over (Under) Performance	0.33%

**October Options at Inception**

1-Mth Implied Vol.	12.9%
Portfolio Delta	-0.24
% Portfolio Written	95%

**November Options at Inception**

1-Mth Implied Vol.	12.3%
Portfolio Delta	-0.23
% Portfolio Written	95%

**Distribution Per Unit History (by ex-date)**

1 October 2019	\$0.2615
1 July 2019	\$0.2826
1 April 2019	\$0.3117
2 January 2019	\$0.2896

The UMAX total return was -0.87% between 20 September 2019 and 18 October 2019 (“October Option Period” or “October Period”). The S&P 500® Index (the “S&P 500” or “Index”) had a total return of -1.20%, in AUD terms, during the same October Period. The Index, which had a strong rally during the September option period, gave up some of those gains during the October option period. At one point in early October the Index had given up most of the September period gains. A weak September ISM number, the weakest since August 2016, as well as other signs of slowing global growth contributed to the early selloff during the October Option period. Markets improved after that however, with strong consumer confidence numbers and better-than-expected earnings from financial services constituents. The energy sector continued to be a drag on overall performance, declining over 7% during the option period. The energy sector now only represents 4.3% of the Index, which means energy companies have an increasingly smaller impact overall. Despite the VIX volatility Index initially climbing over 20 at the beginning of October, it quickly settled down close to where it started the October Option Period. One-month at-the-money options volatility closed at 12.3% on 18 October 2019. The new November 2019 options were written with approximately 95% coverage, 2.1% out-of-the money and to an initial portfolio delta of -0.23.

**Information Technology (Index weight: 21.9%)**

The Information Technology sector was slightly higher, returning 0.7% during the October Option Period. Much of that outperformance versus the Index was due to Apple Inc. (“AAPL”) outperforming the rest of the market. AAPL returned 8.6% during the period allowing the stock to make new all-time highs.

**Financials (Index weight: 12.9%)**

Financials were close to unchanged during the October Option Period, returning -0.1%. Financial stocks suffered a steep selloff at the beginning of the month of October, and the sector got close to its low August levels. Good earnings late in the period allowed many of the bank names to recover. All of the big money center banks ended the October period higher, with Wells Fargo & Co. (“WFC”) the top gainer returning 2.8%.

**Real Estate (Index weight: 3.3%)**

Even though the Real Estate sector only returned 1.7% during the October Option Period, it was the best performing sector in the Index. Throughout the year, lower long-term rates have helped the real estate sector. This was the third consecutive positive period return for this sector, and in the process achieved a new all-time high.

**Healthcare (Index weight: 13.8%)**

The Healthcare sector returned -0.4% during the October Option Period. Despite the small negative return in the sector, the individual healthcare stocks continued to be volatile, and returns differed greatly. Worries about what future legislation and regulation might mean to various healthcare sectors continues to drive these stocks both higher and lower. Of the 61 companies in the healthcare sector, 17 of these were either up or down more than 5%.

**Consumer Discretionary (Index weight: 10.3%)**

The Consumer Discretionary sector increased 1.1% in the October Option Period. This was the second best performance amongst sectors in the Index. Retail companies did particularly well, with 10 stocks increasing over 5% during the period.

**Industrials (Index weight: 9.2%)**

The Industrial sector decreased with the overall benchmark index returning -1.1% during the October Period. Boeing Co. ("BA"), the largest company in the sector, continues to struggle with its now infamous Max 737 jet. BA was down close to 10% during the October Option Period, the second worst performance in the sector.

**Consumer Staples (Index weight: 7.5%)**

The Consumer Staples sector traded higher during the October Option Period, increasing 0.7%. The highlight during this period was the performance of Philip Morris International ("PM"). PM increased over 13% during the

October Option Period, driven by the announcement that its business could be recombined with former parent Aphria Inc.

**Energy (Index weight: 4.3%)**

Energy names plunged once more in the face of weakening crude oil prices. The energy sector fell a sector worst -7.0% in the October Option Period. This was a drastic underperformance of the Index and every other sector. Of the 28 names in the sector, only 4 traded higher during the October Period.

**Materials (Index weight: 2.7%)**

The Materials sector fell -1.5% during the October Option Period, the second worst sector return in the Index, but still much better than the Energy sector. Chemical giant Dupont de Nemours Inc. ("DD"), one of the larger stocks by market capitalization in the sector, was one of the worst performers, returning -8.5% during the October Period.

**Communication Services (Index weight: 10.5%)**

The Communication Services sector was close to unchanged, returning -0.1% during the October Option Period, yet social media names fared relatively poorly. Twitter Inc. ("TWTR") and Facebook ("FB") retreated by -9.8% and -2.1% respectively in the period.

**Utilities (Index weight: 3.5%)**

The utilities sector was unchanged during the October Option Period. While it was a relatively quiet period for the sector, there were nonetheless some bigger price movements in the constituent stocks. Notably, Exelon Corp, ("EXC") was down -7.8% after its CEO abruptly resigned in the face of a federal probe during the October Period.

The Fund's equity exposures continue to be obtained indirectly via its holding of one or more US-listed exchange traded funds.

This information has been prepared by BetaShares Capital Ltd (ACN 139 566 868 AFS Licence 341181) ("BetaShares") the responsible entity of BetaShares S&P 500 Yield Maximiser Fund (managed fund) (the "Fund") for adviser use only. It is general information only and does not take into account any investor's objectives, financial situation or needs so it may not be appropriate for an investor's particular circumstances. Before making an investment decision an investor should consider the product disclosure statement ("PDS") and their circumstances and obtain financial advice. The PDS is available at [www.betashares.com.au](http://www.betashares.com.au). This information is not a recommendation or offer to buy units or adopt any particular strategy. An investment in the Fund is subject to investment risk and the value of units may go down as well as up. Past performance is not an indication of future performance. The performance of the Fund is not guaranteed by BetaShares or any other person. To the extent permitted by law BetaShares accepts no liability for any errors or omissions or loss from reliance on the information herein. Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"). These trademarks have been licensed for use by BetaShares. The Fund is not sponsored, endorsed, sold or promoted by S&P or its Affiliates, and S&P and its Affiliates make no representation, warranty or condition regarding the advisability of buying, selling or holding units in the Fund. .