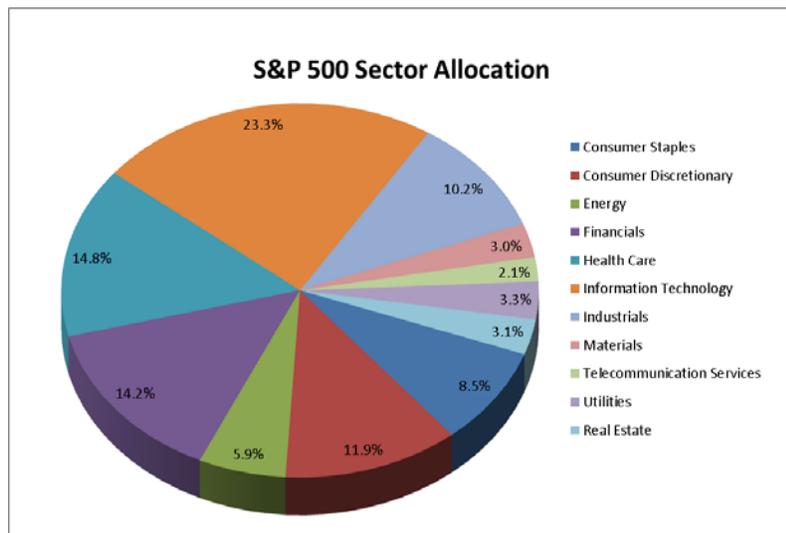


UMAX commentary – November 2017 (October Option Period)
Adviser Use Only


Source: Bloomberg, as of 20 October 2017.

UMAX: ASX

NAV per unit (September 15)	\$17.3377
NAV per unit (October 20)	\$17.8760

October Option Period Returns

UMAX Total Return	4.10%
S&P 500 Total Return	5.54%
Over (Under) Performance	-1.44%

October Options at Inception

1-Mth Implied Vol.	6.7%
Portfolio Delta	-0.25
% Portfolio Written	90%

November Options at Inception

1-Mth Implied Vol.	6.5%
Portfolio Delta	-0.25
% Portfolio Written	90%

Distribution Per Unit History (by ex-date)

2 October 2017	\$0.1711
3 July 2017	\$0.2073
3 April 2017	\$0.2047
3 January 2017	\$0.2421

The UMAX total return was 4.10% between 15 September 2017 and 20 October 2017 (“October Option Period” or “October Period”). The S&P 500® Index (the “S&P 500” or “Index”) had a total return of 5.54%, in AUD terms. Stock prices were very strong despite it being a historically weak seasonal period of the year. The October Period set new lows for implied volatility in at-the-money calls. The 3 month at-the-money call in the Index was 8.4% at the end of the October Period, while the 1 month at-the-money call set a low of 6.2% on 15 October 2017. The VIX also set records closing below 10 at the end of the month of September, its lowest ever monthly close. This very low volatility environment is difficult for covered calls, as stocks have performed well this period, but premiums received were historically low. 1-Month options volatility decreased from 6.7% on 15 September 2017, to 6.5% on 20 October 2017 a small 0.2 point decrease. Historically, the September and October months see higher volatility but this certainly did not happen this year. By some measures September was the lowest volatility month in history, in terms of actual day-to-day movement. Option pricing remained compressed as a result. The new November 2017 options were written with approximately 90% coverage, 0.91% out-of-the money and to an initial portfolio delta of -0.25.

Information Technology (Index weight: 23.3%)

The information technology sector was higher during the October Period, despite the largest stock in the sector and the Index, Apple (“AAPL”) decreasing during the time frame. Semiconductor stocks were especially strong during the October Options Period, with Micron Technologies (“MU”) and Applied Materials (“AMAT”) leading the way, returning 19.8% and 19.0% respectively.

Financials (Index weight: 14.2%)

The financial sector was the best performing sector in the Index, returning 7.3% during the October Period. The rally was broad based with 65 of 67 stocks in the sector generating positive returns during the period.

Real Estate (Index weight: 3.1%)

Unlike the strong results from financial stocks, the real estate sector was one of only two sectors to trade lower



during the October Options Period. HCP Inc. ("HCP") was the worst performer in the sector trading down -10.5%.

Healthcare (Index weight: 14.8%)

The healthcare sector was up 1.5% during the October Options Period, but there was plenty of volatility within the sector with big gainers and losers. Mylan NV ("MYL") was one of the big gainers, increasing more than 20% over the period. Celgene ("CELG"), on the other hand, dropped close to 15%.

Consumer Discretionary (Index weight: 11.9%)

Internet retailers and auto manufacturers led the consumer discretionary sector higher during the October Option Period. Priceline Group ("PCLN"), Netflix ("NFLX") and Expedia ("EXPE") all traded over 5% higher during the October Period. General Motors Co ("GM") and Ford Motors Co. ("F") were also both higher, with GM returning 17.3% during the period.

Industrials (Index weight: 10.2%)

The industrial sector was the second best performing sector in the Index, increasing 4.8% during the October Period. Aerospace and airlines stocks led the way for the sector. All fifteen names in those two sub sectors traded higher during the period.

Consumer Staples (Index weight: 8.5%)

Consumer staples was the worst performing sector in the Index, decreasing 2.4% during the October Period. Like many of the other defensive sectors, consumer staples stocks suffered during the period as the market took a risk-on approach.

Energy (Index weight: 5.9%)

The energy sector continued its winning ways with a second consecutive gain during the October Option Period. Oil & gas services firms, however, had a tougher time, as drillers still expect a difficult pricing environment from cost conscious producers, despite the recovery of crude prices. Of the five oil services firms in the Index, only Halliburton Co ("HAL") traded higher during the October Period.

Materials (Index weight: 3.0%)

Material stocks gained along with other commodity focused sectors, returning 4.7% during the October Period. Gains were spread across the sector, with all stocks showing gains during the October Period, except Newmont Mining ("NEM") which traded slightly lower.

Telecommunication Services (Index weight: 2.1%)

The telecommunication sector, along with the consumer staples sector, were the only sectors to trade lower during the October Options Period. The sector has been more volatile recently with the measure of one hundred day volatility reaching a high during the October Period.

Utilities (Index weight: 3.3%)

The utilities sector gained 0.2% in the October Option Period. The sector managed a small gain despite investors' lack of interest in risk havens during the 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. 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. .