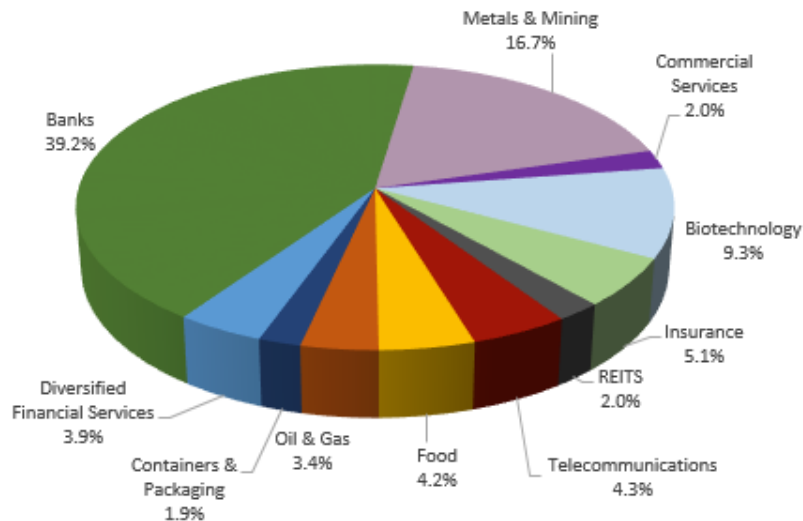


YMAX Commentary – 2019 June (May Option Period)
Adviser Use Only

Solactive Australia 20 Index Industry Breakdown



Source: Bloomberg as at 30 May 2019

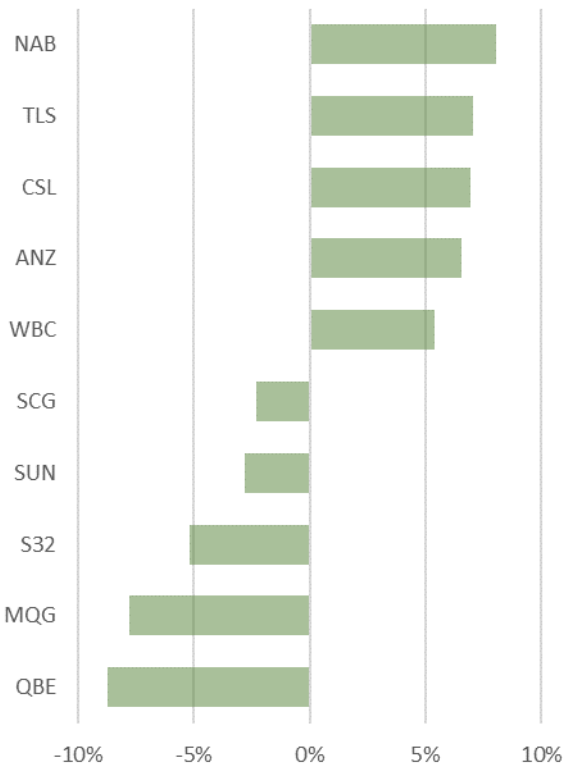
YMAX	
NAV per unit (April 23)	\$8.43
NAV per unit (May 30)	\$8.60
May Option Period Returns	
YMAX Total Return	2.05%
Solactive Australia 20 Index	2.67%
Over/(Under) Performance	-0.62%
May Options at Inception	
1-Mth Implied Vol	16.1%
Portfolio Delta	-0.25
% Portfolio Written	75%
June Options at Inception	
1-Mth Implied Vol	17.3%
Portfolio Delta	-0.18
% Portfolio Written	72%
Distributions Per Unit (by ex-date)	
1-Apr-19	\$0.196
2-Jan-19	\$0.182
1-Oct-18	\$0.285
2-Jul-18	\$0.129

The YMAX total return was +2.05% between 23 April 2019 and 30 May (“May Option Period” or “Period”). The Solactive Australia 20 Index (“Index”) total return was +2.67% over the same Period, and as a result YMAX underperformed the Index by -0.62%.

Global equity markets traded lower over the course of the Option Period, following the escalation of President Trump’s rhetoric on trading with China. The S&P 500 Index was down -4.72% and the MSCI World -4.61% in USD terms. Despite the global backdrop, the Australian market surged after the unexpected victory of Scott Morrison’s Liberal Party. Going into the federal election, polls indicated a comfortable victory for the Labor Party, a party perceived to be less business and market friendly. The S&P/ASX 200 Index bounced +1.74% on the day following the election results and delivered the same level of return over the Option Period. Large caps, which include the big four banks, outperformed the broader market and delivered +2.67% over the Option Period. Out of YMAX’s 20 underlying holdings, only 11 stocks were positive, and therefore indicates the impact of the winners. The big four banks all surged by at least +6% on the day following the election results.

Overall, implied volatilities remained at similar levels going into June and still offered a premium when compared to realized volatility. Stocks were written 3.29% out-the-money on approximately 72% of the portfolio.

Top / Bottom 5 stock movers



The big four banking stocks National Australia Bank (“NAB”), Australia and New Zealand Banking Group (“ANZ”), Commonwealth Bank of Australia (“CBA”), and Westpac Banking Corporation (“WBC”) all rallied significantly following the Liberal Party’s victory in the May Federal Election. The Labor Party’s planned reforms to negative gearing, franking credit refunds and additional bank levies placed significant pressure on bank share prices going into the Election. The unexpected victory by the Liberal Party removed many of these negative consequences and a combination of natural buying and large short position covering resulted in substantial gains over a short period of time. NAB for example surged +10.79% in the 2-week period from the Election results to the end of the Option Period. This price action resulted in significant option buy back costs to the Fund.

Macquarie Group (“MQG”) gave an earnings update with expected earnings to be slightly lower in the year ahead. This caught the market by surprise and the stock sold off more than 5% on the day of this announcement. The weakness persisted for the remainder of the Option Period. As a result, the Fund captured full option premium.

YMAX continues to utilize S&P/ASX 200 Index option coverage, which allows the Fund to increase overall written coverage levels, whilst decreasing single stock call away risk. The expiry of the index option occurred prior to the Federal Election, and as a result, expired worthless with full premium capture to the Fund.

This information has been prepared by BetaShares Capital Ltd (ACN 139 566 868 AFS Licence 341181) (“BetaShares”) the responsible entity of BetaShares Australian Top 20 Equity 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.

The Fund is not sponsored, promoted, sold or supported in any other manner by Solactive AG nor does Solactive AG offer any express or implicit guarantee or assurance either with regard to the results of using the Index at any time or in any other respect. The Index is calculated and published by Solactive AG. Neither publication of the Index by Solactive AG nor the licensing of the Index for the purpose of use in connection with the Fund constitutes a recommendation by Solactive AG to invest capital in the Fund nor does it in any way represent an assurance or opinion of Solactive AG with regard to any investment in the Fund.