

**BetaShares Australian Top 20 Equity Yield Maximiser Fund  
(managed fund) - ASX Code: YMAX**

ARSN 155 637 648

**Condensed Interim Financial Report  
for the half-year ended 31 December 2018**

# **BetaShares Australian Top 20 Equity Yield Maximiser Fund (managed fund) - ASX Code: YMAX**

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## **Condensed Interim Financial Report for the half-year ended 31 December 2018**

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## Directors' report

The directors of BetaShares Capital Ltd, the Responsible Entity of BetaShares Australian Top 20 Equity Yield Maximiser Fund (managed fund) (the "Fund"), present their report together with the condensed interim financial statements of the Fund, for the half-year ended 31 December 2018 and the auditor's report thereon.

### Responsible Entity

The Responsible Entity of BetaShares Australian Top 20 Equity Yield Maximiser Fund (managed fund) is BetaShares Capital Ltd (ABN 78 139 566 868). The Responsible Entity's registered office and principal place of business is Level 11, 50 Margaret Street, Sydney, NSW, 2000.

### Principal activities

The Fund is a registered managed investment fund domiciled in Australia. It is an exchange traded managed fund that is traded on the Australian Securities Exchange (ASX).

The principle activity of the Fund is to invest in accordance with the investment objectives and guidelines as set out in the Fund's current Product Disclosure Statement and its Constitution.

The Fund did not have any employees during the half-year.

There were no significant changes in the nature of the Fund's activities during the half-year.

### Directors

The following persons held office as directors of BetaShares Capital Ltd during or since the end of the financial half-year and up to the date of this report:

David Nathanson (appointed 21 September 2009)  
Alex Vynokur (appointed 21 September 2009)  
Taeyong Lee (appointed 12 August 2015, resigned 31 August 2018)  
Thomas Park (appointed 12 August 2015)  
Jungho Rhee (appointed 1 September 2018)

### Review and results of operations

During the half-year, the Fund continued to invest in accordance with target asset allocations as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.

The results of operations of the Fund is disclosed in the condensed interim statement of comprehensive income. The income distributions payable by the Fund is disclosed in the condensed interim statement of financial position. The income distributions paid and payable by the Fund is disclosed in Note 4 to the condensed interim financial statements.

### Significant changes in state of affairs

On 5 May 2016, a new tax regime applying to Managed Investment Trusts was established under the Tax Law Amendment (New Tax System for Managed Investment Trusts) Act 2016 . The Attribution Managed Investment Trust ("AMIT") regime allows Funds that meet certain requirements to make an irrevocable choice to be as an AMIT. The Fund's Constitution has been amended to allow it to operate an AMIT, and the conditions to adopt the AMIT tax regime have been met effective 1 July 2018. Consequently, the units in the Fund have been reclassified from a financial liability to equity on 1 July 2018 (see Note 3 for further information).

In the opinion of the directors, there were no significant changes in the state of affairs of the Fund that occurred during the financial half-year.

## Directors' report (continued)

### Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect:

- (i) the operations of the Fund in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Fund in future financial years.

### Likely developments and expected results of operations

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Further information on likely developments in the operation of the Fund and the expected results of its operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Fund.

### Rounding of amounts to the nearest thousand dollars

The Fund is an entity of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the financial report and the directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

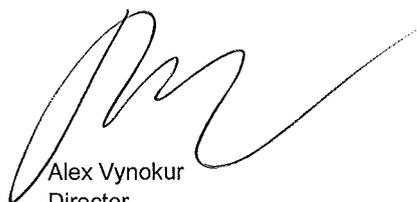
### Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

This report is made in accordance with a resolution of the directors.



David Nathanson  
Director



Alex Vynokur  
Director

Sydney  
7 March 2019



## Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of BetaShares Capital Limited, the Responsible Entity for BetaShares Australian Top 20 Equity Yield Maximiser Fund (managed fund) (the Scheme)

I declare that, to the best of my knowledge and belief, in relation to the review of the Scheme for the half-year ended 31 December 2018 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.



KPMG



Nicholas Buchanan

*Partner*

Sydney

7 March 2019

**Condensed interim statement of comprehensive income**

	Notes	31 December 2018 \$'000	31 December 2017 \$'000
<b>Investment income</b>			
Interest income		-	4
Dividend and distribution income		9,133	10,194
Net gains/(losses) on financial instruments held at fair value through profit or loss		(25,692)	14,567
Other operating income		8	-
<b>Total net investment income/(loss)</b>		<b>(16,551)</b>	<b>24,765</b>
<b>Expenses</b>			
Management fees		1,023	1,171
Expense recoveries		309	401
Transaction costs		353	397
Other operating expenses		16	23
<b>Total operating expenses</b>		<b>1,701</b>	<b>1,992</b>
<b>Operating profit/(loss) for the half-year</b>		<b>(18,252)</b>	<b>22,773</b>
<b>Finance costs attributable to unitholders</b>			
Distributions to unitholders*		-	(21,328)
Change in net assets attributable to unitholders - liability*	3	-	(1,445)
<b>Profit/(loss) for the half-year</b>		<b>(18,252)</b>	<b>-</b>
Other comprehensive income		-	-
<b>Total comprehensive income/(loss) for the half-year</b>		<b>(18,252)</b>	<b>-</b>

\* Net assets attributable to unitholders are reclassified from liabilities to equity from 1 July 2018. As a result, the Fund's distributions are no longer classified as finance costs in the condensed interim statement of comprehensive income but rather as distributions paid and payable in the condensed interim statement of changes in equity. Refer to Note 1 for further detail.

*The above condensed interim statement of comprehensive income should be read in conjunction with the accompanying notes.*

**Condensed interim statement of financial position**

	Notes	31 December 2018 \$'000	30 June 2018 \$'000
<b>Assets</b>			
Cash and cash equivalents		5,429	2,391
Financial assets held at fair value through profit or loss	5	314,645	369,620
Other receivables		329	4,007
<b>Total assets</b>		<b>320,403</b>	<b>376,018</b>
<b>Liabilities</b>			
Financial liabilities held at fair value through profit or loss	5	3,911	2,161
Distributions payable	4	7,097	5,351
Other payables		206	499
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>11,214</b>	<b>8,011</b>
<b>Net assets attributable to unitholders - liability*</b>	3	-	368,007
<b>Net assets attributable to unitholders - equity*</b>	3	<b>309,189</b>	-

\*Net assets attributable to unitholders are classified as equity at 31 December 2018 and as a financial liability at 30 June 2018. Refer to Note 1 for further detail.

*The above condensed interim statement of financial position should be read in conjunction with the accompanying notes.*

**Condensed interim statement of changes in equity**

	Notes	31 December 2018 \$'000	31 December 2017 \$'000
<b>Total equity at the beginning of the half-year</b>			
Reclassification due to AMIT tax regime implementation*		368,007	-
<b>Comprehensive income for the half-year</b>			
Profit/(loss) for the half-year	3	(18,252)	-
Other comprehensive income	3	-	-
<b>Total comprehensive income/(loss)</b>		(18,252)	-
<b>Transactions with unitholders</b>			
Applications	3	13,633	-
Redemptions	3	(36,560)	-
Reinvestment of distributions	3	1,014	-
Distributions to unitholders	3	(18,653)	-
<b>Total transactions with unitholders</b>		(40,566)	-
<b>Total equity at the end of the half-year*</b>		309,189	-

\*Effective from 1 July 2018, the Fund's units have been reclassified from financial liability to equity. Refer to Note 1 for further detail. As a result, equity transactions, including distributions have been disclosed in the above statement for the half-year ended 31 December 2018.

*The above condensed interim statement of changes in equity should be read in conjunction with the accompanying notes.*

**Condensed interim statement of cash flows**

	31 December 2018 \$'000	31 December 2017 \$'000
<b>Cash flows from operating activities</b>		
Proceeds from sale/maturity of financial instruments held at fair value through profit or loss	69,723	50,486
Payments for purchases of financial instruments held at fair value through profit or loss	(38,690)	(52,346)
Interest received	-	4
Dividend and distribution received	12,811	13,896
Other income received	8	-
Management fees paid	(1,235)	(1,146)
Expense recoveries paid	(389)	(401)
Transaction costs	(353)	(397)
Other operating expenses paid	(17)	(24)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>41,858</b>	<b>10,072</b>
<b>Cash flows from financing activities</b>		
Proceeds from applications by unitholders	13,633	29,477
Payments for redemptions by unitholders	(36,560)	(22,651)
Distributions paid	(15,893)	(18,359)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(38,820)</b>	<b>(11,533)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,038</b>	<b>(1,461)</b>
Cash and cash equivalents at the beginning of the half-year	<b>2,391</b>	<b>6,530</b>
<b>Cash and cash equivalents at the end of the half-year</b>	<b>5,429</b>	<b>5,069</b>
<b>Non-cash financing activities</b>		
Units issued upon reinvestment of distributions	<b>1,014</b>	<b>1,269</b>

*The above condensed interim statement of cash flows should be read in conjunction with the accompanying notes.*

## 1 General information

These condensed interim financial statements cover BetaShares Australian Top 20 Equity Yield Maximiser Fund (managed fund) ("the Fund") as an individual entity. The Fund was registered on 22 February 2012 and commenced operations on 22 November 2012. The Responsible Entity cannot issue or redeem any units from the 80th anniversary of the day before the day the Fund commenced if that issue or redemption would cause a contravention of the rule against perpetuities or any other rule of law or equity. The Fund may be terminated in accordance with the provisions of the Fund's Constitution. The Fund is domiciled in Australia.

The Responsible Entity of the Fund is BetaShares Capital Ltd (the "Responsible Entity"). The Responsible Entity's registered office is Level 11, 50 Margaret Street, Sydney NSW 2000.

On 5 May 2016, a new tax regime applying to Managed Investment Trusts was established under the Tax Law Amendment (New Tax System for Managed Investment Trusts) Act 2016. The Attribution Managed Investment Trust (AMIT) regime allows the funds that meet certain requirements to make an irrevocable choice to be an AMIT. The Fund's Constitution has been amended to allow it to operate as an AMIT and the conditions to adopt the AMIT tax regime have been met. The Responsible Entity elected into the AMIT regime for the Fund effective from 1 July 2018. Under the AMIT regime the units in the Fund have been reclassified from financial liability to equity from 1 July 2018.

The Fund is an exchange traded managed fund that is traded on the Australian Securities Exchange (ASX). The Fund has been admitted to trading status on the ASX under the AQUA rules.

The condensed interim financial statements were authorised for issue by the directors on 7 March 2018. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

The condensed interim financial statements are presented in Australian dollars, which is the Fund's functional currency.

## 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these condensed interim financial statements are set out below. These policies have been consistently applied to all years presented, except for the new accounting standards effective 1 July 2018, as discussed in note 2(c) below.

### (a) Basis of preparation

These general purpose condensed interim financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001* in Australia.

These condensed interim financial statements do not include all the information of the type normally included in annual financial statements. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2018 and any continuous disclosure requirements of the *Corporations Act 2001*.

The Fund operated solely in one segment which is the business of investment management within Australia.

The condensed interim financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The condensed interim statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets and liabilities at fair value through profit or loss and net assets attributable to unitholders.

## 2 Summary of significant accounting policies (continued)

### (a) Basis of preparation (continued)

#### *Use of estimates and judgements*

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and regularly reviewed by experienced personnel of the Responsible Entity, independent of the area that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For certain other financial instruments, including amounts due from/to brokers and payables, the carrying amounts approximate fair value due to the short-term nature of these financial instruments.

#### *Change in accounting estimate*

During the half-year, the Fund changed its valuation inputs for the fair value of listed financial assets and liabilities recognised in the financial statements from bid prices to last traded prices to be consistent with the inputs used for the calculation of unit prices. Therefore there is no difference between the valuation of Fund assets for unit pricing and financial reporting purposes from 1 July 2018 onwards. This change does not affect the valuation of investments for unit pricing purposes. The use of last traded price is considered by management to be an appropriate estimate of fair value.

### (b) Changes in accounting policies

Except as disclosed below, the accounting policies adopted in these condensed interim financial statements are consistent with those of the previous financial year. On 1 July 2018 the Fund adopted AASB 9 *Financial instruments* and AASB 15 *Revenue from Contracts with Customers*. The impact of these standards and interpretations is set out below:

#### (i) AASB 9: *Financial Instruments* (AASB 9) (effective 1 July 2018)

AASB 9 contains requirements in relation to the classification, measurement and de-recognition of financial assets and liabilities, replacing the recognition and measurement requirements in AASB 139 *Financial instruments: Recognition and Measurement*. Under the new requirements the four current categories of financial assets are replaced with three measurement categories: fair value through profit or loss, fair value through other comprehensive income, and amortised cost. Financial assets can only be measured at amortised cost where very specific conditions are met.

AASB 9 introduces new hedge accounting requirements including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures.

There was no impact on the Fund upon adoption of AASB 9 as the Fund currently classifies financial assets and financial liabilities at fair value through profit or loss or amortised cost, and the Fund does not apply hedge accounting.

AASB 9 also introduces a new impairment model. However, as the Fund's investments are all held at fair value through profit or loss, the change in impairment rules did not have a material impact on the Fund.

## 2 Summary of significant accounting policies (continued)

### (b) Changes in accounting policies (continued)

#### (ii) AASB 15 : *Revenue From Contracts With Customers* (effective 1 July 2018) (AASB 15)

AASB 15 supersedes AASB 18 *Revenue* and AASB 111 *Construction Contracts*. Although AASB 15 is principles-based, it is a significant change from the current revenue requirements and will involve more judgements and estimates as revenue is recognised when control of a good or service transfers to a customer, or on satisfaction of performance obligations under contracts, which replaces the existing notion of risk and rewards.

There was no impact on the Fund upon the adoption of AASB 15 as the Fund's revenue recognition of interest, dividend and distribution income, investment gains/(losses) and foreign exchange gains/(losses) were unaffected as these items are excluded from the scope of AASB 15.

There are no other standards that are not yet effective and that are expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

## 3 Net assets attributable to unitholders

Under AASB 132 *Financial Instruments: Presentation*, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. The Fund shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions.

Prior to 1 July 2018, the Fund classified its net assets attributable to unitholders as liabilities in accordance with AASB 132. Effective 1 July 2018, the Fund has elected into the AMIT tax regime. The net assets attributable to unitholders of the Fund meet the criteria set out under AASB 132 and are classified as equity from 1 July 2018 onwards.

As a result of the reclassification of net assets attributable to unitholders from liabilities to equity, the Fund's distributions are no longer classified as finance costs in the condensed interim statement of comprehensive income, but rather as distributions to unitholders in the condensed interim statement of changes in equity.

Movements in number of units and net assets attributable to unitholders during the half-year were as follows:

	31 December 2018		31 December 2017	
	No. of units '000	Amount \$'000	No. of units '000	Amount \$'000
<b>Net assets attributable to unitholders</b>				
Opening balance*	41,596	368,007	43,339	386,591
Applications	1,600	13,633	3,300	29,477
Redemptions	(4,300)	(36,560)	(2,500)	(22,651)
Units issued upon reinvestment of distributions	116	1,014	145	1,269
Change in net assets attributable to unitholders*	-	-	-	1,445
Distributions to unitholders	-	(18,653)	-	-
Profit/(loss) for the half-year	-	(18,252)	-	-
<b>Closing balance*</b>	<b>39,012</b>	<b>309,189</b>	<b>44,284</b>	<b>396,131</b>

\* Net assets attributable to unitholders are classified as equity at 31 December 2018 and as a financial liability at 30 June 2018. Refer to Note 1 for further details.

### 3 Net assets attributable to unitholders (continued)

#### Capital risk management

The Fund considers its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders were classified as a liability until 30 June 2018. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of eligible unitholders.

Daily applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets on a daily basis by the Responsible Entity. Under the terms of the Fund's Constitution, the Responsible Entity has the discretion to reject an application for units and to extend the period allowed for satisfaction of redemption of units or reject or spread redemptions in specified circumstances.

### 4 Distributions to unitholders

The distributions paid/payable for the half-year were as follows:

	31 December 2018		31 December 2017	
	\$'000	CPU	\$'000	CPU
<b>Distributions</b>				
Distribution paid - September	11,556	28.51	13,185	29.18
Distribution payable - December	7,097	18.19	8,143	18.38
<b>Total distributions</b>	<b>18,653</b>	<b>46.70</b>	<b>21,328</b>	<b>47.56</b>

### 5 Financial instruments held at fair value through profit or loss

	31 December 2018 \$'000	30 June 2018 \$'000
<b>Financial assets</b>		
<b>Designated at fair value through profit or loss</b>		
Listed securities	314,645	369,620
Total designated at fair value through profit or loss	<b>314,645</b>	<b>369,620</b>
<b>Total financial assets held at fair value through profit or loss</b>	<b>314,645</b>	<b>369,620</b>
<b>Financial liabilities</b>		
<b>Held for trading</b>		
Listed options	3,911	2,161
Total held for trading	<b>3,911</b>	<b>2,161</b>
<b>Total financial liabilities held at fair value through profit or loss</b>	<b>3,911</b>	<b>2,161</b>

## 6 Fair value measurements

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

### Fair value estimation

The carrying amounts of the Fund's assets and liabilities at the end of each reporting period approximate their fair values.

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in statement of comprehensive income.

#### (i) Fair value in an active market (Level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The Fund values its investments in accordance with the accounting policies set out in the 30 June 2018 financial statements. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

The quoted market price used for financial assets held by the Fund is the last traded price. Where the last traded price does not fall within the bid-ask spread, an assessment is performed by management to determine the appropriate valuation price to use that is most representative of fair value.

In the prior year, the current bid or asking price was used for the quoted market price. There has been no material impact on the valuation of assets and liabilities from this change in estimates.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

#### (ii) Fair value in an inactive or unquoted market (Level 2 and Level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

## 6 Fair value measurements (continued)

### Fair value estimation (continued)

#### (ii) Fair value in an inactive or unquoted market (Level 2 and Level 3) (continued)

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

#### (iii) Recognised fair value measurements

The tables below set out the Fund's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 31 December 2018 and 30 June 2018.

At 31 December 2018	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
Financial assets designated at fair value through profit or loss				
Listed securities	314,645	-	-	314,645
<b>Total</b>	<b>314,645</b>	<b>-</b>	<b>-</b>	<b>314,645</b>
<b>Financial liabilities</b>				
Financial liabilities held for trading				
Listed options	3,911	-	-	3,911
<b>Total</b>	<b>3,911</b>	<b>-</b>	<b>-</b>	<b>3,911</b>
At 30 June 2018	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
Financial assets designated at fair value through profit or loss				
Listed securities	369,620	-	-	369,620
<b>Total</b>	<b>369,620</b>	<b>-</b>	<b>-</b>	<b>369,620</b>
<b>Financial liabilities</b>				
Financial liabilities held for trading				
Listed options	2,161	-	-	2,161
<b>Total</b>	<b>2,161</b>	<b>-</b>	<b>-</b>	<b>2,161</b>

#### (iv) Transfers between levels

There were no transfers between levels for the half-year ended 31 December 2018 and the year ended 30 June 2018.

#### (v) Movement in Level 3 instruments

There were no investments classified as Level 3 within the Fund as at 31 December 2018 and 30 June 2018.

## **6 Fair value measurements (continued)**

### **Fair value estimation (continued)**

(vi) *Fair value of financial instruments not carried at fair value*

The carrying value of trade receivables and trade payables approximate their fair values.

Net assets attributable to unitholders carrying value differs from its fair value (deemed to be redemption price for individual units) due to differences in valuation inputs. The difference is not material in the current period.

## **7 Related party transactions**

There have been no significant changes to the related party transactions disclosed in the previous annual report.

All transactions with related parties are conducted on normal terms and conditions. From time to time the Responsible Entity or its director-related entities may invest or withdraw from the Fund. These investments or withdrawals are on the same terms and conditions as those entered into by other fund investors and are trivial and domestic in nature.

## **8 Events occurring after the reporting period**

No significant events have occurred since the reporting period which would impact on the financial position of the Fund disclosed in the condensed interim statement of financial position as at 31 December 2018 or on the results and cash flows of the Fund for the half-year ended on that date.

## **9 Contingent assets and liabilities and commitments**

There are no outstanding contingent assets and liabilities or commitments as at 31 December 2018 and 30 June 2018.

## Directors' declaration

In the opinion of the directors of BetaShares Capital Ltd, the Responsible Entity of BetaShares Australian Top 20 Equity Yield Maximiser Fund (managed fund):

- (a) the financial statements and notes set out on pages 5 to 15 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
  - (ii) giving a true and fair view of the Fund's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors of BetaShares Capital Ltd.



David Nathanson  
Director



Alex Vynokur  
Director

Sydney  
7 March 2019



# Independent Auditor's Review Report

To the respective unitholders of BetaShares Australian Top 20 Equity Yield Maximiser Fund

## Conclusion

We have reviewed the accompanying **Condensed Interim Financial Report** of BetaShares Australian Top 20 Equity Yield Maximiser Fund (the Scheme).

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Condensed Interim Financial Report of the Scheme is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Scheme's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Condensed Interim Financial Report** comprises:

- Condensed interim statement of financial position as at 31 December 2018
- Condensed interim statement of comprehensive income, Condensed interim statement of changes in equity and Condensed interim statement of cash flows for the half-year ended on that date
- Notes 1 to 9 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

## Responsibilities of the Directors for the Condensed Interim Financial Report

The Directors of BetaShares Capital Limited (the Responsible Entity) are responsible for:

- the preparation of the Condensed Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Condensed Interim Financial Report that is free from material misstatement, whether due to fraud or error.

## Auditor's responsibility for the review of the Condensed Interim Financial Report

Our responsibility is to express a conclusion on the Condensed Interim Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Condensed Interim Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Scheme's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of the Scheme, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a Condensed Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

  
KPMG

  
Nicholas Buchanan  
Partner  
Sydney  
7 March 2019