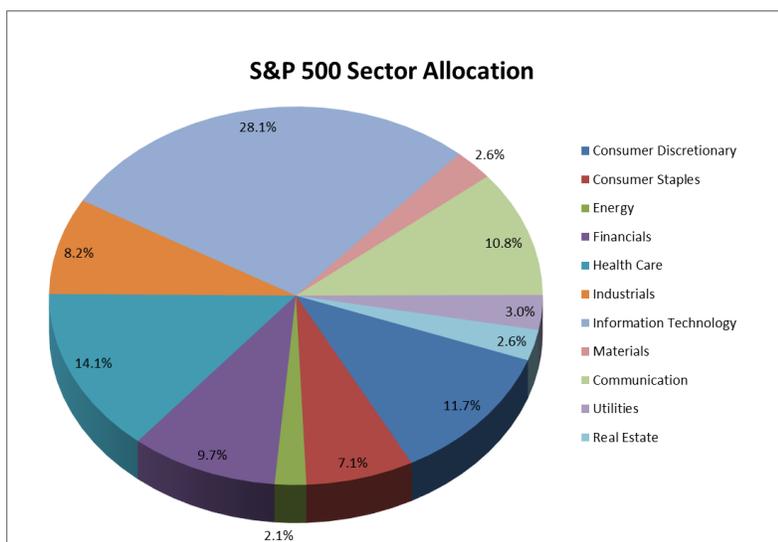


**UMAX commentary– October 2020 (September Option Period)
Adviser Use Only**


Source: Bloomberg, as of 30 September 2020

UMAX: ASX

NAV per unit (September 18)	\$ 17.5740
NAV per unit (August 21)	\$ 18.2646

September Option Period Returns

UMAX Total Return	(3.78)%
S&P 500 Total Return	(4.24)%
Over (Under) Performance	0.46%
*Performance in AUD terms	

September Options at Inception

1-Mth Implied Vol.	16.45%
Portfolio Delta	-0.24
% Portfolio Written	98%

October Options at Inception

1-Mth Implied Vol.	21.46%
Portfolio Delta	-0.26
% Portfolio Written	98%

Distribution Per Unit History (by ex-date)

1 October 2020	\$0.3080
1 July 2020	\$0.3867
31 March 2020	\$0.3044
2 January 2020	\$0.2889

The UMAX total return was -3.78% between 21 August 2020 and 18 September 2020 (“September Option Period” or “September Period”). The S&P 500® Index (the “S&P 500” or “Index”) had a total return of -4.24%, in AUD terms, during the same September Period. After reaching new all-time highs during the August Period, equity markets finally gave up some of the year-to-date gains. After closing the month of August at a new all-time high, the Index sold off sharply on September 3, declining 3.5%, the largest decline since June. In what is usually a volatile time for the equity markets, investors fretted about the ongoing negotiations between Republicans and Democrats over any new government stimulus, and whether the economic recovery is fully priced in. Technology stocks gave up some of the gains of the past few periods, and were the biggest contributor to the Index losses. The VIX volatility Index, which had been increasing at the end of the month of August despite all-time highs in the Index, might have been a harbinger of the volatile times ahead. The new October 2020 options were written with approximately 98% coverage, 3.48% out-of-the money and to an initial portfolio delta of -0.26.

Information Technology (Index weight: 28.1%)

Information Technology names finally ran short of momentum, following an impressive run that would see the Nasdaq Index surge approximately 80% from the lows of March to the highs in August. The sector fell -5.2% in the September Period. Parabolic moves in names like Apple (“AAPL”) and Amazon (“AMZN”) succumbed to profit taking and fell sharply in the opening days of September. The selling continued throughout the remainder of the period. Semiconductor manufacturers finally gave back some of the impressive gains of the past

few months. Advanced Micro Devices (“AMD”) fell -10.6% in the period.

Financials (Index weight: 9.7%)

The Financials sector bucked the trend of broader equities moving lower, as investors began to rotate into worry about continued stimulus and a sputtering recovery. Importantly, Federal Reserve Chairman Powell was quite clear in August with a pledge to keep interest rates lower for longer in the face of potentially rising inflation. This *inflation targeting approach*, along with a

poor overall growth outlook, may serve to pressure net interest income for some time to come.

Real Estate (Index weight: 2.6 %)

Similar to financials, real estate names moved sideways for the balance of August before falling into the broader market selloff in early September. Despite a Fed outlook that suggests lower interest rates for longer, commercial property concerns may linger for some time as bricks and mortar retail faces pandemic realities. Travel and hospitality names such as Host Hotels and Resorts (“HST”) continue to face ongoing uncertainty, while digital server REITs like Digital Realty Trust (“DLR”) continue to position well for a continuation of work and play-at-home trends.

Healthcare (Index weight: 14.1 %)

The Healthcare sector reversed slightly (by -1.4%) in the September period, as many names fell backwards after making new all-time highs in August in the face of ongoing pandemic health fears. Yet a few biotechnology, pharmaceutical and diagnostic names continued to benefit from a renewed investor focus on healthcare. Alexion Pharmaceuticals (“ALXN”) rose 13.1% in the period. Illumina (“ILMN”) fell sharply in the final days of the period ahead of announcing an \$8 billion purchase of private firm Grail.

Consumer Discretionary (Index weight: 12.1%)

The Consumer Discretionary sector reversed some of the previous period’s impressive return, as the broader rally in equities fizzled in early September. While discretionary names like McDonald’s (“MCD”) and Nike (“NKE”) fared well, heavyweight Amazon (“AMZN”), a name with a near 5% weight in the Index, plunged -10%. Auto makers GM (“GM”) and Ford (“F”) rallied 10.3% and 8.6% respectively.

Industrials (Index weight: 8.6%)

The Industrials sector returned 3.0% during the September Period, the second best performing sector in the Index. Airline stocks did particularly well, as hopes of further help from the government was cheered on by investors. All airline stocks were higher in the sector, with Delta Airlines Inc. (“DAL”) returning 20.4% in the period.

Consumer Staples (Index weight: 7.1%)

The Consumer Staples sector returned -1.1% during the September Period. Sysco Corp. (“SYY”), the food supplier, was the best performing stock in the sector. While negatively affected by restaurant closures and the pandemic, investors are betting that SYY will recover as it is a market leader in the space with potential to acquire and consolidate smaller rivals.

Energy (Index weight: 2.1%)

The Energy sector was the worst performing sector in the Index during the September Period, returning -7.0%. This was the second time in a row that the sector was the worst performing. Energy stocks continue to disappoint, despite rises in oil and natural gas prices. Only two stocks, Schlumberger Inc. (“SLB”) and ONEOK Inc. (“OKE”) were marginally higher during this period.

Materials (Index weight: 2.6%)

The Materials sector was by far the best performing sector, and one of only three sectors that were higher during the September Period. The sector returned 5.9% during this period and the rally was broad-based with only two stocks trading lower.

Communication Services (Index weight: 10.8 %)

The Communication Services sector returned -3.5% during the September Option Period. Social media stocks and other tech stocks were primarily responsible for the negative performance. Market bellwethers Facebook Inc. (“FB”) and Alphabet Inc. (“GOOG”) were 5.4% and 7.6% lower respectively.

Utilities (Index weight: 3.0%)

Utilities stocks returned -1.8% during the September Period and were lower for the second consecutive period. The sector was somewhat boosted by NextEra Energy Inc. (“NEE”), which rallied over 15% in one day after upping its guidance and announcing a share split.

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

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