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**MEDIA RELEASE****Australia's ETP market on track to reach \$14 billion by year-end: Market Vectors ETFs**

**Sydney, 8 July 2014** – The strong performance in global and domestic share markets in the first half of 2014 has attracted strong investment into exchange traded products (ETPs). This trend is expected to continue in the second half of 2014, potentially pushing market capitalisation to \$14 billion by year-end, according to Market Vectors, the exchange traded fund business of Van Eck Global. Exchange traded funds (ETFs) make up the majority of ETPs.

Over \$350 million flowed into ETPs in June 2014 across domestic and international equity products, fixed income and cash, taking total market capitalisation of Australia's ETPs industry to a record level of \$11.8 billion in June 2014 - an increase of 53% from \$7.7 billion since June 2013, according to monthly fund data supplied by the ASX.

Over the 12 months to 30 June 2014, ASX data showed \$1.3 billion flowed into international ETPs compared to \$542 million into domestic broad-based ETPs and \$503 million into domestic strategy-based ETPs for the same period.

**Arian Neiron, Managing Director, Market Vectors Australia, said:** "These numbers highlight the huge growth in equity ETPs off the back of strong global and domestic share markets. We expect this trend to continue for the remainder of the year as investors increasingly shift out of cash to seek better investment returns."

A-REIT indices outperformed all other sectors in the six months to 30 June 2014, according to Market Vectors, with the main A-REIT indices<sup>1</sup> averaging returns of 12.5% for the period.

Market Vectors Australia Equal Weight Index outperformed its peer group broad-based indices for the six months to 30 June 2014, returning 4.49% compared to S&P/ASX 200 Index (3.04%), S&P/ASX 300 Index (2.86%) and FTSE RAFI Australia 200 (2.21%).

Market Vectors launched a new first of its kind Market Vectors Australian Equal Weight ETF (ASX code: [MVW](#)) in March 2014 which tracks the Market Vectors Australia Equal Weight Index, providing equal weight exposure to small-, mid- and large-cap ASX-listed companies.

"The innovative Market Vectors Australian Equal Weight Index has a significantly higher weighting to mid-cap stocks, and is more diversified by sector and individual security weightings than other broad based indices," Mr Neiron said.

ASX data shows 13 new ETPs were listed on the ASX over the 12 months to 30 June 2014, taking the total number of ASX-listed ETPs to 96. Only three new ETPs were listed in the first half of 2014.

Mr Neiron said he expects new ETPs, especially ETFs, to be listed on the ASX in the second half of 2014 and continued investment into growth assets, pushing up market capitalisation.

"We expect some providers will launch new ETPs on the ASX in the second half of this year, further broadening the investment choice for Australian investors. On the investing front, we expect investors to continue to leverage the strong growth in global equity markets, particularly the recovery in the US and European economies.

"Direct investors and self-managed superannuation funds will continue to be attracted by the low cost and transparent structure of ETPs and we expect to see the continued adoption of ETPs by financial advisers for long-term strategic asset allocation," he said.

**ENDS**

<sup>1</sup> Market Vectors Australia A-REITs Index; S&P/ASX 200 Index, S&P/ASX 200 A-REIT Index; S&P/ASX 300 A-REIT Index

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**About Van Eck Global**

Market Vectors ETFs are sponsored by Van Eck Global. Founded in 1955, Van Eck Global was among the first US money managers helping investors to achieve greater diversification through global investing. Today, the firm continues this tradition by offering innovative, actively managed investment choices in hard assets, emerging markets, precious metals including gold, and other alternative asset classes. Van Eck Global has offices around the world and managed approximately US\$33 billion in investor assets as of 30 April 2014.

**About Market Vectors**

Market Vectors exchange traded products have been offered since 2006 and span many asset classes, including equities, fixed income (municipal and international bonds) and currency markets. The Market Vectors family totalled US\$24 billion in assets under management, making it one of the largest ETF families in the U.S. and worldwide as of 30 April 2014. Market Vectors Australia is a wholly owned subsidiary of Van Eck Global.

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