

## Media Contacts

Bradley Livingstone-Foggo  
Van Eck Global  
[bfoggo@vaneck.com](mailto:bfoggo@vaneck.com)  
+61 2 8038 3321  
+61 411 467 626

Warrick Lace  
FCR  
[w.lace@fcr.com.au](mailto:w.lace@fcr.com.au)  
+61 2 8264 1008  
+61 466 871 520

## MVW ETF best in class

- *Market Vectors' Equal Weight ETF (MVW) outperforms S&P/ASX 200 Accumulation Index by 3.60%*
- *Performance demonstrated value of 'smart beta' strategy ETFs*

**Sydney, 20 April 2015** – In its first full year, the Market Vectors Australian Equal Weight ETF (ASX code: MVW) outperformed the S&P/ASX 200 Accumulation Index by 3.60%, returning 18.16%. As a result, MVW was the best performing ASX-listed broad-based equity ETF for the 12 months ending 31 March 2015. The index that MVW tracks has outperformed the S&P/ASX 200 in ten of the last 13 years.

The new data was included in a study by Van Eck Global titled [Equal weight investing in Australia: twelve months on](#). The paper examined the benefits of equal weight investing in Australia. Equal weight investing has been around for decades in the US and Europe, but was only introduced to Australia in March 2014 with the launch of MVW. The ETF, which remains the only equal weight ETF in Australia, provides investors with an alternative low-cost, passive investment which overcomes the sector concentration faced by other Australian equities ETFs.

**Arian Neiron, Managing Director, Van Eck Global Australia, said:** "We're delighted Market Vectors' Australian Equal Weight ETF was the only Australian broad based equity ETF to outperform the S&P/ASX 200 by as much as 3.6%. This confirms that tracking a smart beta index can outperform compared to the traditional market capitalisation benchmark. Smart beta is fast becoming one of the dominant investment themes globally. We offer investors a range of smart beta investments both in Australia and overseas and are proactively educating the market on the benefits of smart beta."

MVW tracks the Market Vectors Australia Equal Weight Index, a smart beta index which has been developed to provide investors with a proven index strategy that outperforms traditional market capitalisation indices. By weighting the most liquid ASX-listed securities equally, the index provides a more balanced exposure to Australian economy, not just banks and resources.

Mr Neiron continued, "Australia is one of the most concentrated equity markets in the world. The effect of equal weighting is that it reduces the concentration risk inherent in the Australian market. MVW's impressive outperformance can be attributed to its increased allocation to mid cap stocks and its trading strategy which is inherently contrarian," he said.

"Diversification is a challenge in the Australian market as the five largest companies constitute about 40% of the top 200, and four of the five largest are banks which are highly correlated to each other. Over the last decade, the correlation between the S&P/ASX 200 and S&P/ASX 20 was 97.3%. To put it another way, that's 180 stocks not doing much work. MVW tracks a specially-designed index which reduces the concentration in large companies, such as the big banks and miners, and delivers increased exposure to companies outside the top 10 where there are greater opportunities for growth.

"Our research reinforces earlier findings by academics and commercial researchers including [The University of London's Cass Business School](#), [EDHEC Business School](#), and Australia's [Monash University](#) which have all found that over the long term equal weight investing outperforms.

"Ultimately investors want the outperformance of active management and the low cost of passive management. MVW gives investors the potential to achieve this through a single trade on the ASX. Our innovative methodology is designed to give investors better returns without excessive risk," Mr Neiron said.

To view Market Vectors' paper click on the following link [Equal weight investing in Australia: twelve months on](#).

**ENDS**

**General information only**

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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 is headquartered in New York and has offices in Australia, China, Germany, Spain and Switzerland and as of 31 March 2015 managed approximately US\$30.5 billion in investor assets.

**About Market Vectors ETFs**

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. As of 31 March 2015 the Market Vectors family totalled US\$22.4 billion in assets under management, making it one of the largest ETF families in the US and worldwide. Market Vectors Australia is a wholly owned subsidiary of Van Eck Global.

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