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**MEDIA RELEASE****Equal weight index outperforms traditional market cap weight index**

**Sydney, 29 April 2014** – Market Vectors Australia, the exchange traded fund (ETF) business of US-based investment manager Van Eck Global, today announced that research proves an investment portfolio that follows an equal weight index produces stronger long-term returns and better diversification than traditional market-cap weighted indices.

A white paper by Market Vectors Index Solutions, a German based index provider, revealed that its Market Vectors Australia Equal Weight Index outperformed the S&P/ASX 200 Index in nine out of the last 12 years.

The research found \$10,000 invested in the Market Vectors Australia Equal Weight Index in January 2003 would have been worth \$30,304 after 10 years investment. This compares to the same investment in the S&P/ASX 200 Index, which would be worth \$27,910 over the same period.

The white paper also cites a CSIRO-Monash Superannuation Research Cluster research paper published in 2013, which concluded that an equal weight index delivered the best performance over the long-term when compared to fundamental indices and market capitalisation indices in the US. The research found \$1 invested in an equal weight index in 1962 would have grown to \$100.86 in 2009, this compares to a market-cap weighted index which returned \$59.04 for the same period.

**Lars Hamich, Chief Executive Officer of Market Vectors Index Solutions**, said, “Traditional indices were primarily designed as academic tools or economic indicators and not necessarily to underlie financial products.

“It is crucial that index methodology focuses on key features such as liquidity, diversification and pure-play exposure. These are important characteristics when it comes to the design of indices which are expected to underlie ETFs.

“The Market Vectors Australia Equal Weight Index is characterised by all of the above features. Moreover, its equal weight capping overcomes concentration issues because it removes the heavy bias to a few Australian large-capitalisation companies such as BHP and CBA,” said Mr Hamich.

Market Vectors Australia recently launched its Australian Equal Weight ETF (ASX code: [MVW](#)) – the first Australian equity equal weight ETF available to Australian investors. MVW tracks the Market Vectors Australia Equal Weight Index, which provides investors with equal exposure across 76 of the most liquid ASX-listed securities.

**Arian Neiron, Managing Director, Market Vectors Australia** said, “Australia has one of the most concentrated equity markets in the world with the top 10 companies making up more than half of the market capitalisation of Australia’s top 200 listed stocks. The Market Vectors Australian Equal Weight ETF provides investors with diversified exposure to the Australian equity market and can form the core investment in a portfolio.

“We believe that MVW is an optimal portfolio construction tool. It is an ideal starting point for any diversified portfolio. Around an equal weight core, investors can take sector and stock positions to create an investment mix that reflects the investor’s own investment objectives and future expectations of the market,” he said.

To view Market Vectors’ white paper click on the following link [Strong foundations have equal footings](#).

**IMPORTANT NOTICE****General information only**

This information is issued by Market Vectors Investments Limited ABN 22 146 596 116 AFSL 416755 (Market Vectors Australia) as the Responsible Entity of the Market Vectors Australian Equal Weight ETF (MVW). This information is general in nature and does not take into account your objectives, financial situation or needs (your circumstances). Before making an investment decision in relation to MVW you should read the product disclosure statement (PDS) and with the assistance of a financial adviser consider if it is appropriate for your circumstances. The PDS is available at [marketvectors-australia.com](http://marketvectors-australia.com) or by calling 1300 MV ETFs.

**About Van Eck Global**

Market Vectors ETFs are sponsored by Van Eck Associates Corporation (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.

**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\$23.6 billion in assets under management, making it the eighth largest ETP family in the US as of 28 February, 2014.

**About Market Vectors Index Solutions**

Market Vectors Index Solutions (MVIS) develops, monitors and licenses the Market Vectors Indices, a selection of focused, investable and diversified benchmark indices. The indices are especially designed to underlie financial products. Market Vectors Indices cover several asset classes, including hard assets and international equity markets as well as fixed income markets and are licensed to serve as underlying indices for financial products. Approximately US\$11.1 billion in assets under management are currently invested in financial products based on Market Vectors Indices. The Market Vectors Australia Equal Weight Index is the exclusive property of MVIS. MVW is not sponsored, endorsed, sold or promoted by MVIS. Further information about MVIS is available at <http://www.marketvectorsindices.com/>

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