

Market Vectors Australian Equal Weight ETF

ARSN 167 523 211

Financial report

for the reporting period 4 March 2014 to 30 June 2015

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This financial report covers Market Vectors Australian Equal Weight ETF as an individual entity.

The Responsible Entity of Market Vectors Australian Equal Weight ETF is Market Vectors Investments Limited (ABN 22 146 596 116).

The Responsible Entity's registered office is Gold Fields House, Level 3, 1 Alfred Street, Sydney, NSW 2000.c1003

Directors' report

The directors of Market Vectors Investments Limited (ABN 22 146 596 116), the Responsible Entity of Market Vectors Australian Equal Weight ETF ("the Fund"), present their report together with the financial report of the Fund for the period from 4 March 2014 to 30 June 2015.

Principal activities

The Fund aims to provide investment returns (before management costs) that closely track the returns of the Market Vectors Australia Equal Weight.

The Fund is an exchange traded fund which is a registered investment scheme.

The Fund was registered by Australian Securities and Investments Commission (ASIC) as a managed investment scheme on 24 January 2014.

The Fund is quoted and traded on the AQUA market of the Australian Securities Exchange (ASX). The admission date was 6 March 2014.

During the period, the Fund invested in Australian listed equities and listed property trusts in accordance with the product disclosure statement of the Fund and the provisions of the Fund's Constitution.

The Fund did not have any employees during the reporting period.

There were no significant changes in the nature of the Fund's activities during the reporting period.

Directors

The following persons held office as directors of Market Vectors Investments Limited during the period and up to the date of this report.

Jan van Eck	appointed 12 April 2013
Bruce Smith	appointed 12 April 2013
Joseph McBrien	appointed 12 April 2013 (resigned 23 July 2015)
Lars Hamich	appointed 15 June 2012
Arian Neiron	appointed 12 April 2013
Michael Brown	appointed 27 December 2013
Jonathan Simon	appointed 19 August 2015

Review and results of operations

The Fund commenced operations on 4 March 2014. During the period 4 March 2014 to 30 June 2015, the Fund invested in accordance with the product disclosure statement of the Fund and the provisions of the Fund's Constitution.

The performance of the Fund, as represented by the results of its operations, was as follows:

	For the period 4 March 2014 to 30 June 2015 \$'000
Net operating profit/(loss) before distributions	<u><u>174</u></u>
<i>Distributions</i>	
Distributions paid (\$'000)	<u>179</u>
Distributions payable (\$'000)	<u>422</u>
Distributions (cents per unit "CPU")	<u><u>59.32</u></u>

Directors' report (continued)

Review and results of operations (continued)

A final distribution was declared for the reporting period ended 30 June 2015 of 24.81 cents per unit and paid on 17th of July 2015. The total amount unpaid at the reporting date is disclosed in the statement of financial position.

Interests in the Fund

The movement in units on issue in the Fund during the reporting period is disclosed in Note 7 of the financial statements.

The value of the Fund's assets and liabilities is disclosed in the statement of financial position and derived using the basis set out in Note 2 of the financial statements.

Fees paid and interests held in the Fund by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of Fund property are disclosed in Note 12 of the financial statements.

No fees were paid out of Fund property to the directors of the Responsible Entity during the period.

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the financial period are disclosed in Note 12 of the financial statements.

Significant changes in state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Fund that occurred during the reporting period.

Matters subsequent to the end of the period

No matter or circumstance has arisen since 30 June 2015 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 Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the product disclosure statement of the Fund and in accordance with the provisions of the Fund's Constitution.

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 operations of the Fund and the expected results of those 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.

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Fund in regards to insurance cover provided to either the officers of Market Vectors Investments Limited or the auditors of the Fund. The officers of Market Vectors Investments Limited are not directly indemnified out of the assets of the Fund. However, so long as Market Vectors Investments Limited acts in accordance with the Fund's Constitution and the Law, Market Vectors Investments Limited is indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund. The auditors of the Fund are in no way indemnified out of the assets of the Fund.

Environmental regulation

The operations of the Fund are not subject to any particular or significant environmental regulations under either Commonwealth, State or Territory law. There have been no known significant breaches of any other environmental requirements applicable to the Fund.

Directors' report (continued)

Rounding of amounts to the nearest thousand dollars

The amounts contained in this report and in the financial report have been rounded under the option available to the Fund under ASIC Class Order 98/100. The Fund is an entity to which the Class Order applies, and in accordance with that Class Order, amounts in the Directors' report and the financial report have been rounded to the nearest thousand dollars (where rounding is appropriate).

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.



Arian Neiron
Director

Sydney
24 September 2015



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Auditor's Independence Declaration to the Directors of Market Vectors Investments Limited, as Responsible Entity for Market Vectors Australian Equal Weight ETF

In relation to the audit of the financial report of Market Vectors Australian Equal Weight ETF for the financial period ended 30 June 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Rohit Khanna
Partner
24 September 2015

Market Vectors Australian Equal Weight ETF
Statement of comprehensive income
For the period 4 March 2014 to 30 June 2015

Statement of comprehensive income

	Notes	For the period 4 March 2014 to 30 June 2015 \$'000
<i>Investment income</i>		
Dividends		591
Trust distributions revenue		193
Net gains/(loss) on financial instruments held at fair value through profit or loss	5	<u>(532)</u>
<i>Total investment income/(loss)</i>		<u>252</u>
<i>Expenses</i>		
Interest expense		3
Management fees	12	69
Transaction costs		<u>6</u>
<i>Total expenses</i>		<u>78</u>
<i>Profit/(loss) for the period</i>		<u>174</u>
Other comprehensive income for the period		<u>-</u>
<i>Total comprehensive income/(loss) for the period</i>		<u><u>174</u></u>

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

Market Vectors Australian Equal Weight ETF
Statement of financial position
As at 30 June 2015

Statement of financial position

	Notes	As at 30 June 2015 \$'000
<i>Assets</i>		
Cash and cash equivalents	8	14
Due from brokers - receivable for securities sold		417
Trust distribution receivable		103
Dividend receivable		79
Receivables	10	2
Financial assets held at fair value through profit or loss	9	<u>36,453</u>
<i>Total assets</i>		<u>37,068</u>
<i>Liabilities</i>		
Borrowings	8	182
Payables	11	11
Distributions payable	6	<u>422</u>
<i>Total liabilities</i>		<u>615</u>
<i>Equity</i>		<u><u>36,453</u></u>

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

Market Vectors Australian Equal Weight ETF
Statement of changes in equity
For the period 4 March 2014 to 30 June 2015

Statement of changes in equity

	Notes	For the period 4 March 2014 to 30 June 2015 \$'000
Total equity at the beginning of the period		-
Issue of redeemable participating units		36,880
Total comprehensive income		174
Distributions	6	<u>(601)</u>
Total equity at the end of the period		<u><u>36,453</u></u>

Movement in the units in issue are disclosed in Note 7.

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

Market Vectors Australian Equal Weight ETF
Statement of cash flows
For the period 4 March 2014 to 30 June 2015

Statement of cash flows

		For the period 4 March 2014 to 30 June 2015 \$'000
<i>Cash flows from operating activities</i>		
Proceeds from sale of financial instruments held at fair value through profit or loss		7,386
Purchase of financial instruments held at fair value through profit or loss		(44,774)
Dividends received		500
Trust distributions received		88
Management fees paid		(58)
Transaction costs paid		(6)
Payment of other expenses		<u>(5)</u>
<i>Net inflow/(outflow) from operating activities</i>	13(a)	<u>(36,869)</u>
<i>Cash flows from financing activities</i>		
Proceeds from applications by unitholders		36,880
Distributions paid		<u>(179)</u>
<i>Net inflow/(outflow) from financing activities</i>		<u>36,701</u>
<i>Net increase/(decrease) in cash and cash equivalents</i>		(168)
Cash and cash equivalents at the beginning of the period		<u>-</u>
<i>Cash and cash equivalents at the end of the period</i>	8	<u>(168)</u>

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

1 General information

These financial statements cover the Market Vectors Australian Equal Weight ETF ("the Fund") as an individual entity.

The Fund was registered by Australian Securities and Investments Commission (ASIC) as a managed investment scheme on 24 January 2014 and commenced operations on 4 March 2014.

The Fund is quoted and traded on the AQUA market of the Australian Securities Exchange (ASX). The admission date was 6 March 2014.

The Fund will terminate in accordance with the provisions of the Fund's Constitution.

During the reporting period, the Fund invests in Australian listed equities and listed property trusts in accordance with the product disclosure statement of the Fund and the provisions of the Fund's Constitution.

The Responsible Entity of the Fund is Market Vectors Investments Limited (the "Responsible Entity"). The Responsible Entity's registered office is Gold Fields House, Level 3, 1 Alfred Street, Sydney, NSW 2000. The administrator and the custodian of the Fund is JP Morgan Chase Bank N.A. Sydney Branch.

The financial statements of the Fund for the reporting period from 4 March 2014 to 30 June 2015 were authorised for issue in accordance with a resolution of the directors on 24 September 2015. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated in the following text.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Accounting Standards Board and the *Corporations Act 2001* in Australia. The Fund is a for-profit unit trust for the purpose of preparing the financial report.

The financial report is prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The 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. The amount expected to be recovered or settled within twelve months after the end of each reporting period cannot be reliably determined.

(i) Compliance with International Financial Reporting Standards

The financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

(ii) New and amended standards adopted by the Fund

The Fund had adopted the following new and revised accounting standards which became effective for the annual reporting period commencing 1 July 2014:

- AASB 2012-3 *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities*
- AASB 2013-4 *Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting*
- AASB 2013-5 *Amendments to Australian Accounting Standards – Investment Entities*

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(iii) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods and have not been early adopted by the Fund. The directors' assessment of the impact of these new standards (to the extent relevant to the Fund) and interpretations is set out below:

- AASB 9 *Financial Instruments (2009 or 2010 version)*, AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9*, AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*, AASB 2012-6 *Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transition Disclosures* and AASB 2013-9 *Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments* (effective from 1 January 2018)

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting. The standard is not applicable until 1 January 2018 but is available for early adoption. The directors do not expect this to have a significant impact on the recognition and measurement of the Fund's financial instruments as they are carried at fair value through profit or loss. The derecognition rules have not been changed from the previous requirements, and the Fund does not apply hedge accounting. The Fund has not yet decided when to adopt AASB 9.

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.

(b) Financial instruments

(i) Classification

The Fund's investments are categorised as at fair value through profit or loss in accordance with AASB 139. They comprise:

- Financial instruments designated at fair value through profit or loss upon initial recognition

These include investment in listed property trusts that are not held for trading. These financial assets are designated on the basis that they are part of a group of financial assets which are managed and have their performance evaluated on a fair value basis in accordance with risk management and investment strategies of the Fund as set out in the Fund's product disclosure statement. The financial information about these financial assets is provided internally on that basis to the Investment Manager and to the Board of Directors or delegated authority.

(ii) Recognition

The Fund recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace are recognised on the trade date, i.e., the date that the Fund commits to purchase or sell the asset.

(iii) Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- i. The rights to receive cash flows from the asset have expired; or
- ii. The Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- iii. Either (a) the Fund has transferred substantially all the risks and rewards of the asset, or (b) the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expires.

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(iv) Initial measurement

Financial assets and financial liabilities at fair value through profit or loss are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

For financial assets and liabilities where the fair value at initial recognition does not equal the transaction price, the Fund recognises the difference in the statement of comprehensive income, unless specified otherwise.

(v) Subsequent measurement

After initial measurement, the Fund measures financial instruments which are classified as at fair value through profit or loss at fair value. Subsequent changes in the fair value of those financial instruments are recorded in 'Net gains/(losses) on financial instruments held at fair value through profit or loss'. Interest earned is recorded in 'Interest income' according to the terms of the contract. Dividend revenue is recorded in 'Dividend revenue'.

The effective interest method is a method of calculating the amortised cost of a receivable or a financial liability, other than those classified as at fair value through profit or loss, and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instruments but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Refer to Note 3(e) for further details on how the fair values of financial instruments are determined.

(c) Redeemable participating shares

Units are redeemable at the unitholders' option and are classified as equity. The units can be put back to the Fund at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if unitholders exercised their right to redeem the units in the Fund.

(d) Unit prices

Unit prices are determined in accordance with the Fund's Constitution and are calculated as the net assets attributable to unitholders of the Fund, less estimated costs, divided by the number of units on issue, on a forward pricing basis, as determined by the Responsible Entity.

(e) Capital management

The Responsible Entity manages its net assets attributable to unitholders as equity. 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 unitholders.

The Responsible Entity monitors the level of daily applications and redemptions relative to the liquid assets in the Fund.

In order to maintain or adjust the capital structure, the Responsible Entity may return capital to unitholders. The Fund is not subject to any externally imposed capital requirements.

(f) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in the statement of financial position.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Fund's main income generating activity.

2 Summary of significant accounting policies (continued)

(g) Investment income

Interest income is recognised in the statement of comprehensive income for all financial instruments that are not held at fair value through profit or loss on an accruals basis.

Trust distributions revenue are recognised on an entitlement basis.

Dividends revenue is recognised on the ex-dividend date.

(h) Expenses

All expenses, including management fees, are recognised in the statement of comprehensive income on an accrual basis.

(i) Income tax

Under current legislation, the Fund is not subject to income tax provided the taxable income of the Fund is fully distributed either by way of cash or reinvestment. Unitholders are presently entitled to the income of the Fund.

The benefits of imputation credits and foreign tax paid are passed on to unitholders.

(j) Distributions

In accordance with the Fund's Constitution, the Fund fully distributes its distributable income to unitholders.

Distributions are payable at the end of each half-year. Such distributions are determined by reference to the net taxable income of the Fund.

Distributable income includes capital gains arising from the disposal of investments. Unrealised gains and losses are transferred to net assets attributable to unitholders and are not assessable or distributable until realised. Capital losses are not distributed to unitholders but are retained to be offset against any future realised capital gains. Distributions to unitholders are recognised in the statement of changes in equity.

(k) Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the reporting period. Trades are recorded on trade date, and normally settled within three business days.

(l) Receivables

Receivables may include amounts for dividends revenue, trust distributions revenue and interest. Dividends revenue and trust distributions revenue are accrued when the right to receive payment is established. Interest is accrued at the reporting date from the time of last payment. Amounts are generally received within 30 days of being recorded as receivables. Collectability of trade receivables is reviewed on an ongoing basis.

(m) Payables

Payables include liabilities and accrued expenses owing by the Fund which are unpaid as at end of the reporting date. The amounts are unsecured and usually paid within 30 days of recognition.

The distributions payable to unitholders as at the end of each reporting period is recognised separately in the statement of financial position when unitholders are presently entitled to the distributable income under the Fund's Constitution.

2 Summary of significant accounting policies (continued)

(n) Foreign currency translation

(i) Functional and presentation currency

Items included in the Fund's financial report are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Fund competes for capital and is regulated. The Australian dollar is also the Fund's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the transactions at year end exchange rates, of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in the statement of comprehensive income on a net basis within net gains/(losses) on financial instruments held at fair value through profit or loss.

(o) Applications and redemptions

Applications received for units in the Fund are recorded net of any entry fees payable prior to the issue of units in the Fund. Redemptions from the Fund are recorded gross of any exit fees payable after the cancellation of units redeemed.

(p) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties such as management services has been passed onto the Fund. The Fund qualifies for Reduced Input Tax Credits ("RITC") hence management fees have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office ("ATO"). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

(q) Use of estimates

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

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

(r) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the asset and settle the liability simultaneously. This is generally not the case with master netting agreements unless one party to the agreement defaults and the related assets and liabilities are presented gross in the statement of financial position. As at the end of the reporting period, there are no financial assets and liabilities offset in the statement of financial position.

(s) Rounding of amounts

In accordance with ASIC Class Order 98/100 (as amended), all amounts in the financial statements have been rounded to the nearest thousand dollars unless otherwise indicated.

3 Financial risk management

The Fund's activities expose it to a variety of financial risks: market risk (including price risk), credit risk and liquidity risk.

The Fund's overall risk management programme focuses on ensuring compliance with its product disclosure statement.

The objective of the Fund identified in the product disclosure statement is to provide investment returns that before management costs closely track the investment returns of the identified index. The investment strategy is to replicate the index by holding the ASX listed securities that constitute the index.

The Fund's adherence to the index is monitored on a daily basis by calculating the difference between the Fund's performance and the index's performance. The results are reported to the management of the Responsible Entity on a daily basis.

(a) Market risk

(i) Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices.

Price risk on listed equities and listed property trusts arises from investments held for which prices in the future are uncertain. These are classified in the statement of financial position as at fair value through profit or loss. Paragraph (b) below sets out how this component of price risk is managed and measured. All security investments present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

The table presented in Note 3(b) summarises sensitivity analysis to price risk.

(ii) Currency risk

Currency risk arises as the value of monetary securities denominated in other currencies will fluctuate due to changes in exchange rates.

All assets are in Australian dollars and therefore not subject to currency risk.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Changes in interest rates can have a direct or indirect impact on the investment value and/or returns of all types of assets.

The majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

(b) Summarised sensitivity analysis

The following table summarises the sensitivity of the operating profit and net assets attributable to unitholders to price risk. The analysis is based on reasonably possible movements in the benchmark with all other variables held constant and the fair value of the portfolio moving according to the movement in the benchmark. The reasonably possible movements in the risk variables have been determined based on management estimates, having regard to a number of factors, including historical levels of changes in market index, security prices and/or benchmark returns. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of and/or correlation between the performance of the economies, markets and securities in which the variable is exposed. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

Impact on operating profit / Net assets attributable to unitholders	
Price risk	
-10%	+10%
\$'000	\$'000
(3,645)	3,645

30 June 2015

3 Financial risk management (continued)

(c) Credit risk

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss.

Credit risk relating to unsettled transactions in listed securities is considered to be minimal as the Fund only uses brokers with a high creditworthiness and the transactions are settled or paid for only upon delivery. Payments on securities acquired are only made after the broker has received the securities. Securities sold are only delivered after the broker has received the payment.

There were no significant direct concentrations of credit risk to counterparties at 30 June 2015.

(d) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund is exposed to daily cash redemptions of redeemable units. It therefore primarily holds investments that are traded in an active market and can be readily disposed.

The risk management guidelines adopted are designed to minimise liquidity risk through:

- ensuring there is no significant exposure to illiquid or thinly traded financial instruments, and
- applying limits to ensure there is no concentration of liquidity risk to a particular counterparty.

Liquidity is monitored on a regular basis and any exceptions are reported to management. There were no exceptions during the period to 30 June 2015.

The table below analyses the non-derivative financial liabilities into relevant maturity groupings based on the remaining period to the earliest possible contractual maturity date at the end of the reporting period. The amounts in the table are the contractual undiscounted cash flows.

As at 30 June 2015	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	1-2 years \$'000
Distributions payable	422	-	-	-
Borrowings	182			
Payables	<u>11</u>	-	-	-
Total	<u>615</u>	-	-	-

(e) Fair value estimation

(i) Fair value in an active market

The fair value of financial assets and liabilities traded in active markets (such as listed property trusts) is based on bid prices at the end of the reporting period without any deduction for estimated future selling costs. For the majority of financial assets and liabilities, information provided by the quoted market independent pricing services is relied upon for valuation.

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.

An active market is a market in which transactions for the financial asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

3 Financial risk management (continued)

(f) Fair value hierarchy

The Fund classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- 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 (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Responsible Entity. The Responsible Entity considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The table below sets out the Fund's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 30 June 2015.

30 June 2015	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets designated at fair value through profit or loss:				
Listed equity securities	30,854	-	-	30,854
Listed property trusts	5,599	-	-	5,599
Total	36,453	-	-	36,453

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and certain listed unit trusts.

The Fund did not hold any Level 3 instruments during the period 4 March 2014 to 30 June 2015.

(g) Transfers between levels

There have been no transfers between levels for the period 4 March 2014 to 30 June 2015.

4 Auditor's remuneration

	For the period
	4 March
	2014 to 30
	June 2015
	\$'000
Amounts paid and payable for:	
Audit and other assurance services by Ernst and Young	15
Total remuneration for audit services	15

Auditor's remuneration for auditing the financial report of \$15,450 was paid by the Responsible Entity.

5 Net gains/(losses) on financial instruments held at fair value through profit or loss

Net gains/(losses) recognised in relation to financial assets and financial liabilities held at fair value through profit or loss:

	For the period 4 March 2014 to 30 June 2015 \$'000
Net unrealised gains/(losses) on financial assets designated at fair value through profit or loss	109
Net realised (losses)/gains on financial assets designated at fair value through profit or loss	<u>(641)</u>
Total net gains/(losses) on financial instruments held at fair value through profit or loss	<u>(532)</u>

6 Distributions to unitholders

	For the period 4 March 2014 to 30 June 2015	
	\$'000	CPU
Final Distribution 30 June 2014	23	11.41
Interim Distribution 30 September 2014	51	11.38
Interim Distribution 31 December 2014	105	11.72
Final Distribution 30 June 2015	<u>422</u>	<u>24.81</u>
	<u>601</u>	<u>59.32</u>

The portion of the final distribution for the year which was unpaid at the reporting date is disclosed in the Statement of Financial Position.

7 Units in issue

Movements in the number of units during the reporting period were as follows:

	For the period 4 March 2014 to 30 June 2015 No. '000
Units outstanding at the beginning of the period	-
Applications	<u>1,700</u>
Units outstanding at the end of the period	<u>1,700</u>

7 Units in issue (continued)

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. Each unit has the same rights attaching to it as all other units of the Fund.

8 Cash and cash equivalents

	As at 30 June 2015 \$'000
Cash at bank	14
Borrowings *	<u>(182)</u>
	<u>(168)</u>

* The borrowings are Westpac overdraft accounts used for dividend equitisation. Interest is charged at 6.25% p.a.

9 Financial assets held at fair value through profit or loss

	As at 30 June 2015 \$'000
Designated at fair value through profit or loss	
Listed equity securities	30,854
Listed property trusts	<u>5,599</u>
Total designated at fair value through profit or loss	<u>36,453</u>
Total financial assets held at fair value through profit or loss	<u><u>36,453</u></u>

10 Receivables

	As at 30 June 2015 \$'000
Other receivables	<u>2</u>
	<u><u>2</u></u>

11 Payables

	As at 30 June 2015 \$'000
Management fees payable	<u>11</u>
	<u><u>11</u></u>

12 Related party transactions

Responsible Entity

The Responsible Entity of the Fund is Market Vectors Investments Limited (ABN 22 146 596 116), a wholly owned subsidiary of Van Eck Associates Corporation, incorporated in the United States of America. The registered office of the Responsible Entity and the Fund is Gold Fields House, Level 3, 1 Alfred Street, Sydney, NSW, 2000.

Key management personnel

(a) Directors

Key management personnel includes persons who were directors of Market Vectors Investments Limited during the financial period and up to the date of this report except as otherwise stated:

Jan van Eck	appointed 12 April 2013
Bruce Smith	appointed 12 April 2013
Joseph McBrien	appointed 12 April 2013 (resigned 23 July 2015)
Lars Hamich	appointed 15 June 2012
Arian Neiron	appointed 12 April 2013
Michael Brown	appointed 27 December 2013
Jonathan Simon	appointed 19 August 2015

(b) Other key management personnel

There were no other key management personnel who had authority and responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly during the reporting period.

Related party transactions

Market Vectors Investments Limited receives all management fees that have been paid by the Fund during the year. The Responsible Entity is entitled to receive an annual management fee of 0.35% p.a. of the total assets of the Fund under the terms of the Constitution. The fees are paid on a monthly basis.

All expenses in connection with the preparation of accounting records and maintenance of the unit register are fully borne by the Responsible Entity.

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the period and amounts payable/receivable at period end between the Fund and the Responsible Entity were as follows:

	For the period 4 March 2014 to 30 June 2015 \$'000
Management fees for the period paid by the Fund to the Responsible Entity	69
Aggregate amounts payable to the Responsible Entity at the end of the reporting period	11

Related party unitholdings

Parties related to the Fund (including the Responsible Entity, its related parties and other schemes managed by the Responsible Entity), hold no units in the Fund.

12 Related party transactions (continued)

Key management personnel unit holdings

From time to time key management personnel or their Fund related entities may invest in or withdraw from the Fund. These investments and withdrawals are on the same terms and conditions as those entered into by other Fund investors.

30 June 2015

Unitholder	Number of units held at balance date	Interest held %	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund \$'000
Lara Neiron	-	-	1,843	(1,843)	-

Key management personnel remuneration

Key management personnel are paid by the Responsible Entity. Payments made from the Fund to the Responsible Entity do not include any amounts directly attributable to key management personnel remuneration.

Key management personnel loan disclosures

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

Investments

The Fund did not hold any investments in the Responsible Entity or its related parties during the reporting period.

Other transactions within the Fund

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund during the reporting period and there were no material contracts involving key management personnel's interests existing at the end of the reporting period.

13 Reconciliation of cash flows from operating activities

	For the period 4 March 2014 to 30 June 2015 \$'000
(a) Reconciliation of cash flows from operating activities	
Profit/(loss) for the period	174
Net (gains)/losses on financial instruments held at fair value through profit or loss	532
Proceeds from sale of financial instruments held at fair value through profit or loss	7,386
Purchases of financial instruments held at fair value through profit or loss	(44,774)
Trust distributions reinvested	(14)
Net change in receivables	(184)
Net change in payables	11
Net cash inflow/(outflow) from operating activities	(36,869)
(b) Non-cash financing and investing activities	
During the reporting period, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan.	1

14 Events occurring after the reporting period

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Fund disclosed in the statement of financial position as at 30 June 2015 or on the results and cash flows of the Fund for the period ended on that date.

15 Contingent assets and liabilities and commitments

There were no outstanding contingent assets, liabilities or commitments as at 30 June 2015.

Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 5 to 21 are in accordance with the *Corporations Act 2001*, including
 - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Fund's financial position as at 30 June 2015 and of its performance for the financial period ended on that date; and
- (b) Note 2(a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board; and
- (c) 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.



Arian Neiron
Director

Sydney
24 September 2015

Independent auditor's report to the unit holders of of Market Vectors Australian Equal Weight ETF

We have audited the accompanying financial report of Market Vectors Australian Equal Weight ETF ("the Fund"), which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of the Fund are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2 (a) (i), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the Fund a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion:

- a. the financial report of Market Vectors Australian Equal Weight ETF is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the Fund's financial position as at 30 June 2015 and of its performance for the period ended on that date; and
 - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2(a) (i).

Ernst & Young

Ernst & Young



Rohit Khanna
Partner
Sydney
24 September 2015