

Welcome to *Morningstar ETFInvestor™*, our regular overview of developments in Australian exchange-traded funds and products.

ETF Flows

Australian ETF industry assets grew to A\$18.29 billion over the June quarter, up from A\$17.62 billion at the end of March – growth of 3.76%. Considering that global equity markets were flat and the S&P/ASX 200 Index was down 6.59%, that's a solid result.

Magellan Global Equities MGE rapidly grew assets by another A\$80 million. That took MGE to \$205 million, despite launching in March. The success is no doubt a function of Magellan's strengths as an active manager, but it also helped that international equities remained in vogue.

Vanguard All-World ex-US Shares ETF VEU grew its book by A\$76.9 million to A\$517.7 million. Vanguard's newer hedged and unhedged MSCI World ETFs VGS and VGAD also grew by almost A\$40 million between the pair. There were also some specialised international equity products that put on substantial assets, including **iShares Global Healthcare (AU)** IXJ and **iShares MSCI Japan (AU)** IJP.

Fixed interest ETFs saw mixed demand. **Russell Australian Government Bond ETF** RGB grew A\$42.4 million to A\$131.2 million, and **Vanguard Australian Fixed Interest ETF** VAF put on A\$59.8 million, to a total of A\$210.6 million. **BetaShares Australian High Interest Cash ETF** AAA suffered a rare shrinkage of A\$75.2 million to A\$706.6 million due to outflows. **iShares Composite Bond** IAF also saw money flow out.

Some equity ETFs saw large outflows over the quarter too. For example **iShares MSCI Emerging Markets (AU)** IEM shrank by -A\$127.8 million to A\$ 390.5 million. **iShares S&P/ASX Small Ordinaries** ISO almost halved its book, shrinking from A\$60.4 million to A\$31.9 million. The small-cap market was down 4.05%, which means most of that asset decline was caused by outflows.

Record ETF Product Launches

While flows were solid, the June quarter was notable for an explosion of new ETFs that brought a record 14 launches to market. That's more debuts in one quarter than the whole of 2014. A new ETF provider also entered the fray. ANZ ETFS unveiled six new ETFs on 10 June 2015. The outfit is a joint venture between ANZ Bank and ETF Securities. The six products were: **ANZ ETFS S&P/ASX 100 ETF** ZOZI, the first ETF to track S&P's top-100 index; **ANZ ETFS S&P/ASX 300 High Yield Plus**

ETF ZYAU, an Australian equity high dividend strategy; **ANZ ETFS S&P 500 High Yield Low Volatility ETF** ZYUS, a US equity high dividend ETF that avoids stocks that display high volatility; two ETFs that respectively track the Gold price and the US dollar; and a unique new offering in the Australian ETF market, a Chinese renminbi ETF.

Three New York-listed Market Vectors ETFs were cross-listed on the ASX on 24 June 2015. **Market Vectors Gold Miners ETF** GDJ offers a new way to play the gold sector – instead of tracking the physical commodity GDJ holds gold mining stocks. **Market Vectors ChinaAMC A-Share ETF(Synthetic)** CETF tracks the China A-Share market using equities and swaps. We'll explore China A-Shares later. Finally **Market Vectors Morningstar Wide Moat ETF** MOAT¹ tracks the Morningstar Wide Moat Focus Index – a rules-based, equal-weighted index intended to offer exposure to the 20 most attractively priced companies with sustainable competitive advantages as determined by Morningstar's equity research team. 26 May 2015 saw the debut of the **Market Vectors Small Cap Div Payers ETF** MVS, which invests in small-cap Australian dividend payers.

Lastly, there were two launches from BetaShares and one from Russell: **BetaShares NASDAQ 100 ETF** NDQ, **BetaShares Australian Equities Strong Bear Hedge Fund** BBOZ and **Russell Australian Responsible Investment ETF** RARI.

Eyes on China

There is a fascinating story unfolding in China. At the same time as ETF operators and index compilers are increasing their focus on the region, we've seen a crash in the China A-Share market. This raises some interesting questions for ETF investors that we'll explore, but first lets recap the facts.

China A-Shares are companies listed on China's mainland stock exchanges in Shanghai and Shenzhen. Historically, foreigners were restricted from investing directly in China but they could hold Chinese companies listed in Hong Kong (known as H-Shares), or



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¹ The Morningstar® Wide Moat Focus Index was created and is maintained by Morningstar, Inc. Morningstar, Inc. does not sponsor, endorse, issue, sell, or promote the Market Vectors Morningstar Wide Moat ETF and bears no liability with respect to that ETF.

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elsewhere, for example New York or Singapore. Though British governance ended in 1997, Hong Kong's regulations retain many legacies from that era. Regulations and market mechanics are different to those in mainland China, and there are different levels of liquidity and different companies (though some firms are dual-listed). Index providers such as MSCI and FTSE have long classified Hong Kong as a developed market while the mainland was considered 'emerging', and even then the restrictions were such that A-Shares were not even included in the MSCI Emerging Markets Index.

However China's economy and markets are opening up to international trade, capital and foreign investors. Recognising this, FTSE announced in May 2015 that it would compile an index that includes China A-Shares – the FTSE Emerging Markets All Cap China A Inclusion Index – as well as transitional benchmarks that allow fund managers to gradually take on A-Share exposure.

Vanguard subsequently announced on 3 June 2015 that it would begin to include A-Shares and small-caps in the **Vanguard FTSE Emerging Markets Shrs ETF VGE** over the course of 2015/16. VGE will first adopt a transitional benchmark – the FTSE Emerging Markets All Cap China A Inclusion Transition Index, and will ultimately adopt the FTSE Emerging Markets All Cap China A Inclusion Index. Vanguard estimates that will result in allocations of about 11% to small-caps and 6% to China A-Shares. Its worth noting that VGE already has about 27% exposure to Chinese companies through H-Shares. There may be a slight decline in H-Share exposure due to dual-listings too. So the addition of a 6% exposure to A-Shares is not an immediate game-changer.

However China's dominance of emerging market indices could escalate. FTSE estimates that A-Share exposure could rise to 32% when China A-Shares are fully available to international investors. Furthermore, if all Chinese stocks are included then China could account for half of FTSE's emerging markets benchmark. That's a chunky exposure so we'll watch developments there closely.

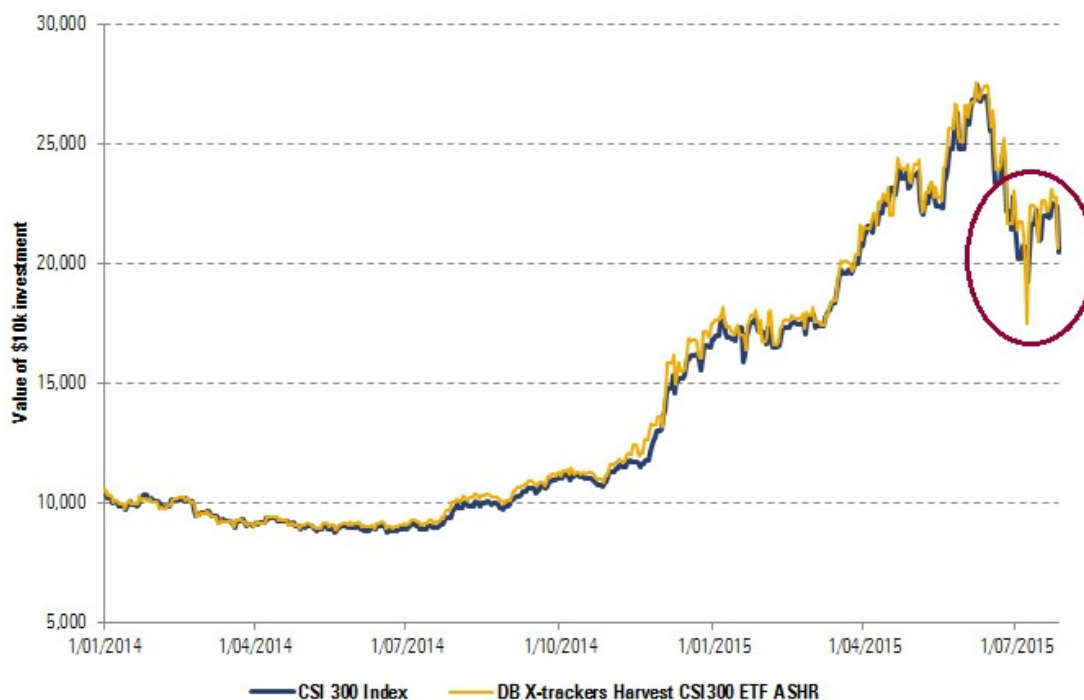
Benchmark provider MSCI also announced that it would add China A-Shares to its MSCI Emerging Markets Index – the most widely tracked emerging markets benchmark. MSCI subsequently watered down that announcement though, stating in June that it would postpone the introduction of A-Shares.

Big Trouble in Small-Cap China?

China A-Shares (as measured by the CSI 300 Index) fell almost 30% in June. Small-caps on Shenzhen's ChiNext exchange copped an even worse hammering. Volatility has remained high since then with a single-day drop of 8% in late July.

Authorities responded with measures including banning short-selling and encouraging state-owned enterprises and pension funds to buy stocks. Most A-Shares were suspended from trading. We won't dwell on the possible economic ramifications for China as much has been written about that elsewhere.

However an interesting development for ETF investors was that even when A-Shares were suspended many A-Share ETFs continued to trade. Curiously some ETFs even traded at a large discount to the index. The Financial Times covered the incidence of the CSOP ChiNext ETF which tracks small-cap China stocks. However we've even noticed the phenomenon in larger products.



For example the largest US-listed A-Share ETF, **DB X-Trackers Harvest CSI 300 ETF ASHR** has closely tracked the CSI 300 Index over the long run, as seen in the chart below. But on 8 July ASHR traded at a discount of about 10%.

While that may sound problematic, we think it's better to be able to trade at a discount than to be unable to trade at all. Secondly, it's arguable that the discount was not real – the underlying stocks were suspended so at that point the index values were arbitrary. The ETF and index values converged in the following days.

As ETFs grow in stature, more transactions are occurring between ETF investors, without underlying stocks necessarily being traded – the ownership of the underlying ETF portfolio merely changes hands. In some markets ETFs have even supplanted futures contracts as the major source of liquidity and index exposure. So if you see a notable discrepancy between an ETF and its benchmark, while it's certainly worth investigating, it may just be that the market is wrong and the ETF is right!

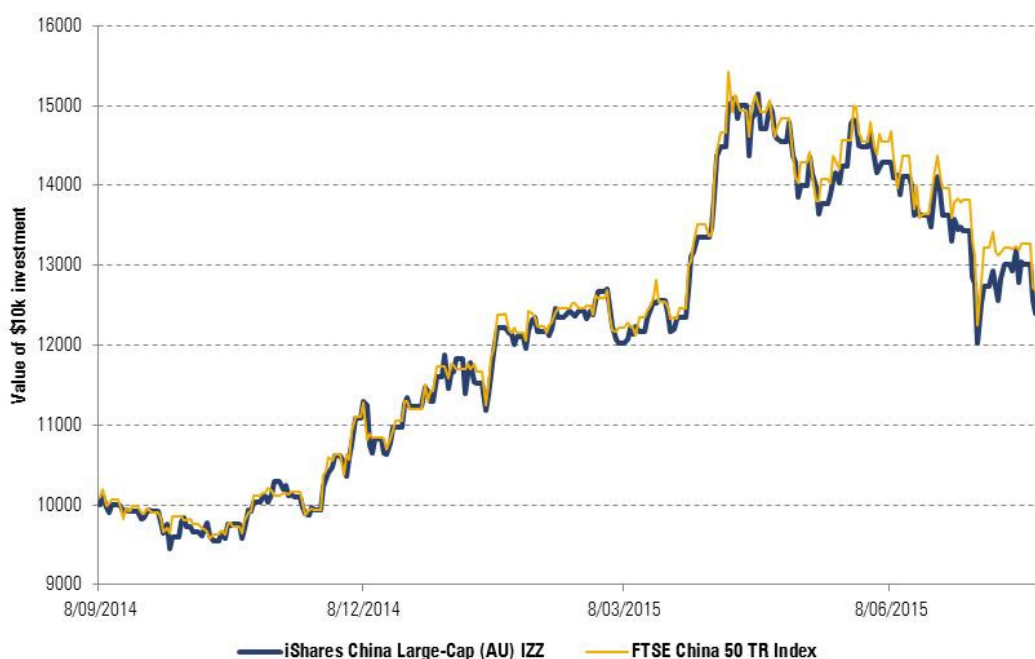
It's worth noting that ETFs such as **iShares China Large-Cap (AU) IZZ** and **iShares MSCI Emerging Markets (AU) IEM** get their China exposure via H-Shares – they do not hold A-Shares. We didn't notice any outlandish trading in these ASX-listed ETFs during this period. As the chart below shows, there were some minor gaps between IZZ and its index, but on the whole the ETF remained close to its benchmark. The gaps are likely due to different trading times (Hong Kong's exchange closes several hours later than the ASX). Also, IZZ's benchmark had two stocks suspended from trading during the quarter, one of which has dual A- and H-share listings.

We concede that if an ETF does deviate widely from NAV then there is cause to be wary. One of the advantages of ETFs over other structures such as listed investment companies, is that the open-ended nature of an ETF means that it's usually easy to execute at close to NAV. If an ETF is not trading near its NAV it may indicate that extraordinary events are taking place. That reinforces our view that sticking to some helpful rules of thumb when trading ETFs is a good idea: check that the bid/ask spread is reasonable; compare the ETF's price to its NAV and the iNAV (if available); if possible trade when the underlying markets are open (for example trade China ETFs in the afternoon once Asian exchanges have opened); always use limit orders not market orders; if in doubt, consider delaying your transaction or contact the ETF provider or market-maker – there may be a glitch, but usually there will be a reasonable explanation.

In April 2015 Morningstar initiated research coverage of six global equity and emerging markets ETFs from State Street and Vanguard: **SPDR S&P Global Dividend ETF WDIV**, **SPDR S&P World ex Australia ETF WWOZ**, **SPDR S&P World ex Australia (Hedged) ETF WXHG**, **Vanguard MSCI Index Intl ETF VGS**, **Vanguard MSCI Index Intl (Hdg) ETF VGAD** and **Vanguard FTSE Emerging Markets Shrs ETF VGE**. We'll also soon commence coverage of three new ETFs from new entrant ANZ ETFs.

Morningstar currently publishes qualitative analyst research for 40 Australian ETPs, accounting for about 81% of invested assets.

Individual investors can get access to our reports at www.morningstar.com.au, and financial advisers at <http://arc2.morningstar.com.au>



ETF Market Data as at 30 June 2015

ETF Name	Ticker	Net Assets	Return YTD %	1 Mo %	3 Mo %	6 Mo %	1 Yr %	3 Yr %pa	Fee %	Bid/Ask % ¹	Average Prem/Disc ²	Traded Volume ³	No. Holdings	% Top 10	Launch Date
SPDR S&P/ASX 200 ETF	STW	2,868,641,672	2.95	-6.59	2.95	5.31	14.65	9.29	0.29	0.08	-0.02	12,705,059	203	52.25	24/08/2001
iShares Core S&P 500 (AU)	IVV	1,846,690,778	7.16	-0.90	7.16	31.13	28.80	19.33	0.07	0.06	0.20	1,670,029	506	17.30	15/05/2000
Vanguard Australian Shares ETF	VAS	1,087,467,479	3.09	-6.50	3.09	5.46	14.55	9.28	0.15	0.10	0.27	3,712,789	297	51.10	4/05/2009
iShares Global 100 (AU)	IOO	996,783,300	4.90	-2.74	4.90	18.61	22.22	12.88	0.40	0.12	0.46	1,750,868	110	32.74	10/10/2007
BetaShares Aus High Interest Cash ETF	AAA	706,619,670	1.41	0.67	1.41	3.10	3.57	-	0.18	0.02	-0.02	7,456,533	1	100.00	6/03/2012
Vanguard US Total Market Shares ETF	VTS	702,227,290	8.04	-0.94	8.04	31.10	29.36	19.71	0.05	0.11	0.16	1,212,752	3,817	13.66	12/05/2009
SPDR S&P/ASX 200 Listed Property ETF	SLF	553,656,037	6.54	-2.44	6.54	19.79	17.91	13.79	0.40	0.16	0.09	6,363,847	20	92.10	15/02/2002
Vanguard Australian Shares High Yld ETF	VHY	541,230,510	1.85	-6.53	1.85	3.31	16.39	-	0.25	0.10	0.20	2,011,034	36	75.47	23/05/2011
Vanguard All-World ex-US Shares ETF	VEU	517,661,211	10.77	-0.69	10.77	16.14	20.38	10.05	0.15	0.20	0.39	2,377,631	2,465	8.13	12/05/2009
iShares Europe (AU)	IEU	508,383,723	8.44	-2.06	8.44	11.10	22.80	11.42	0.60	0.18	1.42	5,152,573	361	19.19	10/10/2007
SPDR S&P/ASX 50 ETF	SFY	427,156,008	3.01	-6.59	3.01	5.17	15.40	9.90	0.29	0.06	0.19	1,163,002	52	62.34	24/08/2001
ETFS Physical Gold ETC	GOLD	417,646,764	3.76	-2.04	3.76	8.92	-1.17	0.28	0.40	0.12	0.69	423,259	1	100.00	31/03/2003
Vanguard Australian Property Secs ETF	VAP	415,211,097	6.62	-2.25	6.62	20.04	18.08	-	0.25	0.18	-0.21	1,565,430	27	89.71	11/10/2010
BetaShares US Dollar ETF	USD	408,561,396	6.23	-0.72	6.23	22.23	9.56	-	0.45	0.12	0.05	32,948,609	1	100.00	31/01/2011
iShares MSCI Emerging Markets (AU)	IEM	390,465,419	8.40	-0.80	8.40	14.84	13.14	4.90	0.67	0.21	-0.81	2,069,797	864	18.61	7/04/2003
iShares MSCI Australia 200 (AU)	IOZ	361,260,613	2.99	-6.52	2.99	5.63	14.69	-	0.19	0.15	0.20	3,276,050	199	52.47	6/12/2010
BetaShares Aus Top 20 Eq Yld Maxmsr	YMAX	359,859,492	-2.73	-8.08	-2.73	-0.48	-	-	0.79	0.20	1.54	12,850,152	20	79.95	22/11/2012
iShares Global Healthcare (AU)	IXJ	347,621,078	15.61	0.11	15.61	41.84	35.81	22.99	0.48	0.20	0.47	893,312	98	40.68	11/03/2009
iShares Asia 50 (AU)	IAA	288,978,245	14.66	1.03	14.66	29.40	20.06	10.49	0.50	0.28	0.39	1,941,555	53	52.88	13/11/2007
iShares S&P/ASX 20	ILC	284,237,604	1.83	-7.75	1.83	4.14	15.88	-	0.24	0.14	0.23	4,452,421	21	80.09	6/12/2010
Russell High Div Australian Shares ETF	RDV	264,065,080	4.24	-6.46	4.24	7.57	17.25	10.75	0.34	0.18	0.42	1,216,660	49	57.17	14/05/2010
iShares MSCI EAFE (AU)	IVE	248,988,424	10.47	-1.64	10.47	15.48	22.40	11.09	0.33	0.22	0.46	907,119	935	12.09	14/08/2001
iShares S&P/ASX Dividend Opportunities	IHD	239,360,164	5.05	-4.40	5.05	1.43	11.03	-	0.30	0.23	0.19	3,449,898	51	43.76	6/12/2010
Vanguard Australian Fixed Interest ETF	VAF	210,624,489	0.56	-2.01	0.56	5.48	-	-	0.20	0.23	0.33	2,168,965	474	28.94	29/10/2012
Magellan Global Equities	MGE	204,950,814	-	0.00	-	-	-	-	1.35	0.44	0.70	38,511,245	N.Av	N.Av	2/03/2015
iShares Composite Bond	IAF	194,256,985	0.53	-2.03	0.53	5.45	4.63	-	0.24	0.17	0.25	980,572	311	27.46	12/03/2012
SPDR MSCI Australia Sel Hi Div Yld ETF	SYI	164,094,336	2.15	-6.89	2.15	5.17	14.89	-	0.35	0.08	-0.05	1,100,810	36	64.36	24/09/2010
iShares MSCI Japan (AU)	IJP	159,691,405	20.24	1.85	20.24	31.85	23.91	10.18	0.59	0.24	0.03	5,117,965	316	21.55	12/03/1996
SPDR S&P World ex Australia ETF	WXOZ	137,298,756	9.09	-0.48	9.09	23.72	-	-	0.42	0.21	0.46	617,641	1,299	9.76	18/03/2013
iShares Global Consumer Staples (AU)	IXI	132,687,148	6.58	-2.60	6.58	24.11	21.86	15.52	0.48	0.30	0.49	377,986	108	43.33	11/03/2009
Russell Australian Government Bond ETF	RGB	131,247,640	0.28	-3.12	0.28	6.83	3.67	-	0.24	0.37	0.70	1,802,764	8	99.97	13/03/2012
Russell Australian Semi-Govt Bd ETF	RSM	124,724,759	0.79	-1.08	0.79	5.01	4.74	-	0.26	0.49	0.41	1,501,479	10	100.11	13/03/2012
iShares China Large-Cap (AU)	IZZ	115,240,510	19.12	4.35	19.12	54.72	25.43	7.20	0.73	0.28	0.45	5,583,351	54	57.01	5/10/2004
BetaShares Australian Div Harvester(mgd)	HVST	107,980,407	-3.46	-7.27	-3.46	-	-	-	0.65	0.16	0.05	3,725,186	4	100.00	29/10/2014
iShares Core S&P Mid-Cap (AU)	IJH	81,981,962	10.57	-2.00	10.57	30.11	30.29	19.84	0.14	0.31	0.70	70,136	403	6.15	10/10/2007

ETF Name	Ticker	Net Assets	Return YTD %	1 Mo %	3 Mo %	6 Mo %	1 Yr%	3 Yr %pa	Fee %	Bid/Ask % ¹	Average Prem/Disc ²	Traded Volume ³	No. Holdings	% Top 10	Launch Date
Russell Australian Select Corp Bd ETF	RCB	78,884,204	1.34	-0.51	1.34	3.83	4.19	-	0.28	0.39	0.38	992,078	10	70.73	13/03/2012
Vanguard MSCI Australian Small Coms ETF	VSO	76,188,381	1.08	-6.38	1.08	-0.47	5.28	-	0.30	0.25	-0.48	681,056	140	20.26	23/05/2011
Vanguard MSCI Index Intl ETF	VGS	74,594,115	9.53	-0.08	9.53	-	-	-	0.18	0.29	1.87	1,055,838	1,581	9.63	18/11/2014
SPDR S&P World ex Australia(Hedged) ETF	WXHG	71,871,573	4.91	-0.16	4.91	9.60	-	-	0.48	0.26	-0.06	681,771	1,245	9.38	8/07/2013
SPDR S&P Global Dividend ETF	WDIV	60,011,670	7.59	-1.50	7.59	17.75	-	-	0.50	0.29	0.34	1,265,576	121	16.31	1/11/2013
BetaShares Aus Equities Bear Hedge	BEAR	57,663,139	-1.69	7.71	-1.69	-3.70	-	-	1.38	0.15	-0.23	8,247,727	1	100.00	6/07/2012
BetaShares FTSE RAFI Australia 200 ETF	QOZ	57,389,920	3.29	-6.44	3.29	6.50	-	-	0.40	0.25	0.26	1,305,307	197	52.99	10/07/2013
iShares Russell 2000 (AU)	IRU	50,416,188	11.57	-0.17	11.57	30.87	29.73	19.30	0.20	0.30	0.32	94,175	1,980	2.49	22/05/2000
Vanguard Australian Government Bond ETF	VGB	49,170,408	0.34	-2.36	0.34	5.69	4.31	-	0.20	0.28	0.40	676,034	83	39.61	24/04/2012
SPDR Dow Jones Global Real Estate ETF	DJRE	44,936,765	3.14	-7.52	3.14	23.64	-	-	0.50	0.26	0.15	879,145	235	28.07	1/11/2013
ETFS Physical Silver ETC	ETPMAG	44,725,183	4.42	-6.11	4.42	-8.07	-8.67	-2.12	0.49	0.72	-0.08	284,095	1	100.00	19/12/2008
Vanguard FTSE Emerging Markets Shrs ETF	VGE	43,737,328	9.63	0.18	9.63	18.72	-	-	0.48	0.39	0.58	332,912	1,013	16.75	18/11/2013
Vanguard MSCI Australian Large Coms ETF	VLC	43,353,295	2.05	-7.20	2.05	3.97	15.34	-	0.20	0.10	-0.48	186,520	31	71.37	23/05/2011
iShares MSCI Taiwan (AU)	ITW	43,242,872	11.44	0.28	11.44	25.74	22.77	11.59	0.74	0.42	-1.04	3,116,899	101	50.30	20/06/2000
iShares Core S&P Small-Cap (AU)	IJR	43,113,546	10.56	-0.69	10.56	30.59	30.61	20.54	0.14	0.36	0.35	58,406	607	4.89	10/10/2007
iShares MSCI BRIC (AU)	IBK	40,718,371	13.98	2.81	13.98	21.62	14.38	2.29	0.67	0.45	-0.65	394,582	312	30.62	12/11/2007
Market Vectors Australian Property ETF	MVA	40,670,223	6.78	-2.49	6.78	19.36	-	-	0.35	0.19	-0.13	563,388	17	89.76	14/10/2013
Market Vectors Australian Equal Wt ETF	MVW	36,912,685	3.38	-5.25	3.38	8.39	-	-	0.35	0.12	-0.60	909,323	75	15.47	4/03/2014
BetaShares S&P 500 Yield Maximiser	UMAX	35,971,010	8.62	0.32	8.62	-	-	-	0.59	0.22	0.36	911,248	1	100.00	17/09/2014
SPDR S&P/ASX 200 Fincls EX A-REIT ETF	OZF	33,772,063	7.19	-5.87	7.19	11.70	23.17	-	0.40	0.09	-0.48	621,442	27	92.09	14/04/2011
iShares Government Inflation	ILB	33,291,060	0.02	-4.35	0.02	6.22	4.24	-	0.26	0.27	0.48	159,700	13	95.55	12/03/2012
iShares S&P/ASX Small Ordinaries	ISO	31,889,035	2.87	-4.05	2.87	0.25	2.04	-	0.55	0.64	0.10	8,807,150	198	15.30	6/12/2010
BetaShares Geared Australian Equity(Hdg)	GEAR	30,934,964	4.41	-14.96	4.41	7.19	-	-	0.80	0.22	0.30	2,629,384	200	52.10	29/04/2014
BetaShares Crude Oil ETF Ccy Hgd(Synth)	OOO	30,544,740	-1.68	17.98	-1.68	-48.86	-13.45	-	0.69	0.17	-2.01	2,856,297	1	100.00	16/11/2011
Market Vectors Small Cap Div Payers ETF	MVS	28,057,381	-	-	-	-	-	-	0.49	N.Av	-0.43	1,713,382	N.Av	N.Av	26/05/2015
Vanguard MSCI Index Intl (Hdg) ETF	VGAD	24,342,510	5.03	-0.09	5.03	-	-	-	0.21	0.48	1.76	363,408	1,581	9.63	18/11/2014
Market Vectors Australian Banks ETF	MVB	20,880,744	6.65	-8.13	6.65	7.78	-	-	0.28	0.06	-0.71	594,790	10	100.00	14/10/2013
SPDR S&P 500 ETF	SPY	20,482,423	7.19	-0.84	7.19	-	-	-	0.09	0.15	0.24	19,997	502	17.26	22/01/1993
iShares Global Telecom (AU)	IXP	20,432,044	9.57	0.84	9.57	23.15	19.61	13.09	0.48	0.46	0.32	103,562	44	72.29	11/03/2009
Russell Australian Value ETF	RVL	19,380,525	1.19	-8.76	1.19	3.19	16.11	-	0.34	0.14	-0.18	108,059	37	81.63	18/03/2011
BetaShares Gold Bullion ETF Ccy Hedged	QAU	18,477,274	-2.23	-0.51	-2.23	-10.06	-8.12	-	0.49	0.26	0.27	510,862	1	100.00	5/05/2011
BetaShares S&P/ASX200 Fincls Sect ETF	QFN	18,179,837	2.62	-9.95	2.62	7.82	21.32	-	0.39	0.19	1.12	915,986	17	93.84	10/12/2010
iShares Global 100 AUD Hedged	IHOO	17,726,182	2.15	-1.83	2.15	-	-	-	0.46	0.47	169.88	42,386	7	100.70	15/12/2014
SPDR S&P/ASX 200 Resources ETF	OZR	17,541,028	-1.76	-4.64	-1.76	-16.36	-3.06	-	0.40	0.22	-0.50	511,187	34	88.13	14/04/2011
iShares Treasury	IGB	16,525,763	0.16	-2.78	0.16	5.51	3.43	-	0.26	0.25	0.31	56,593	21	64.03	12/03/2012
iShares MSCI South Korea Capped (AU)	IKO	16,137,961	7.03	-3.82	7.03	5.61	12.03	7.06	0.61	0.39	-0.61	323,853	109	44.09	9/05/2000
SPDR S&P/ASX Australian Bond ETF	BOND	15,542,672	0.49	-2.24	0.49	5.71	-	-	0.24	0.20	0.47	298,117	74	33.02	27/07/2012
iShares MSCI Hong Kong (AU)	IHK	14,598,357	16.93	3.07	16.93	34.93	26.49	13.82	0.59	0.46	0.15	1,737,423	43	64.87	12/03/1996
iShares S&P 500 AUD Hedged	IHVV	14,110,077	2.02	0.69	2.02	-	-	-	0.13	0.54	-62.25	170,378	2	100.35	15/12/2014
BetaShares S&P/ASX200 Res Sect ETF	QRE	10,940,440	-4.03	-6.84	-4.03	-17.20	-3.86	-	0.39	0.40	1.25	945,671	21	89.76	10/12/2010

ETF Name	Ticker	Net Assets	Return YTD %	1 Mo %	3 Mo %	6 Mo %	1 Yr%	3 Yr %pa	Fee %	Bid/Ask % ¹	Average Prem/Disc ²	Traded Volume ³	No. Holdings	% Top 10	Launch Date
BetaShares FTSE RAFI US 1000 ETF	QUS	10,829,477	5.63	-0.96	5.63	-	-	-	0.30	0.25	0.65	205,928	N.Av	N.Av	17/12/2014
BetaShares Australian Eqs Strong BearHdg	BBOZ	10,247,650	-	-	-	-	-	-	1.19	0.16	N.Av	0	N.Av	N.Av	17/04/2015
BetaShares British Pound ETF	POU	10,190,201	7.30	5.26	7.30	12.76	9.97	-	0.45	0.16	0.27	361,822	1	100.00	8/07/2011
iShares MSCI Singapore (AU)	ISG	10,001,906	2.73	-2.16	2.73	16.53	14.95	7.75	0.59	0.42	-1.09	218,815	31	70.58	12/03/1996
BetaShares Com Basket ETF Ccy Hgd(Synth)	QCB	8,994,978	-4.05	3.97	-4.05	-26.55	-9.49	-	0.69	0.88	-1.00	246,134	1	100.00	13/12/2011
Russell Australian Rspnb Investment ETF	RARI	8,772,723	-	-	-	-	-	-	0.45	0.19	N.Av	0	N.Av	N.Av	1/04/2015
BetaShares NASDAQ 100 ETF	NDQ	7,913,662	-	-	-	-	-	-	0.38	N.Av	0.48	556,282	N.Av	N.Av	26/05/2015
SPDR S&P/ASX Small Ordinaries ETF	SSO	7,692,183	2.57	-4.31	2.57	0.11	2.07	-	0.50	0.24	0.18	169,490	179	15.62	14/04/2011
SPDR S&P Emerging Markets ETF	WEMG	7,337,509	9.37	0.75	9.37	18.47	-	-	0.65	0.40	-1.53	283,603	369	18.62	1/11/2013
SPDR S&P/ASX Australian Govt Bd ETF	GOVT	5,122,017	0.30	-2.52	0.30	5.89	-	-	0.22	0.20	0.31	86,889	51	42.88	27/07/2012
UBS IQ MSCI Japan Ethical ETF	UBJ	5,066,813	-	1.50	-	-	-	-	0.40	0.26	1.69	67,823	277	22.59	24/03/2015
ETFS Physical PM Basket ETC	ETPMPM	4,551,976	0.45	-4.19	0.45	0.67	-1.06	0.05	0.44	0.59	1.25	2,817	4	100.00	19/12/2008
BetaShares Euro ETF	EEU	3,775,960	-2.24	2.96	-2.24	-0.62	4.81	-	0.45	0.18	0.50	110,046	1	100.00	8/07/2011
ETFS Physical Platinum ETC	ETPMPT	3,554,690	-5.37	-5.21	-5.37	-10.99	-0.27	-5.48	0.49	0.55	-1.33	1,394	1	100.00	19/12/2008
BetaShares Agriculture ETF CcyHgd(Synth)	QAG	3,119,970	-3.28	6.87	-3.28	-14.03	-9.91	-	0.69	0.66	-3.98	87,801	1	100.00	30/11/2011
Market Vectors Australian Resources ETF	MVR	2,651,461	0.88	-2.32	0.88	-9.01	-	-	0.35	0.14	4.78	58,274	35	61.20	14/10/2013
UBS IQ MSCI World ex Australia Ethcl ETF	UBW	2,517,312	-	-0.82	-	-	-	-	0.35	0.28	1.84	103,771	1,257	9.80	18/02/2015
UBS IQ MSCI USA Ethical ETF	UBU	2,498,949	-	-0.90	-	-	-	-	0.20	0.26	0.44	25,176	634	16.31	18/02/2015
UBS IQ MSCI Europe Ethical ETF	UBE	2,483,736	-	-1.81	-	-	-	-	0.40	0.35	1.36	95,084	438	17.93	18/02/2015
Market Vectors Australian Emerg Res ETF	MVE	2,019,350	-0.34	-1.36	-0.34	-24.95	-	-	0.49	0.35	5.17	300,164	49	56.98	14/10/2013
ANZ ETFS S&P/ASX 100 ETF	ZOZI	2,000,200	-	-	-	-	-	-	0.24	-	-	851	N.Av	N.Av	10/06/2015
ETFS Physical Palladium ETC	ETPMPD	1,436,137	-9.89	-7.81	-9.89	-1.98	15.46	10.23	0.49	0.74	14.56	1,253	1	100.00	19/12/2008
ETFS Brent Crude Oil CSP ETC	ETPOIL	1,136,967	6.39	9.73	6.39	-38.42	-5.63	-	0.49	0.96	-1.48	6,838	1	100.00	6/06/2012
ANZ ETFS Physical Renminbi ETF	ZCNH	999,326	-	-	-	-	-	-	0.57	-	-1.13	6,841	1	100.00	10/06/2015
ANZ ETFS Physical US Dollar ETF	ZUSD	998,245	-	-	-	-	-	-	0.45	-	-	0	1	100.00	10/06/2015
ANZ ETFS S&P 500 Hi-Yld Low Volatil ETF	ZYUS	989,940	-	-	-	-	-	-	0.35	-	-	10,855	N.Av	N.Av	10/06/2015
ANZ ETFS S&P/ASX 300 High Yield Plus ETF	ZYAU	977,740	-	-	-	-	-	-	0.35	-	-0.79	19,019	N.Av	N.Av	10/06/2015
ETFS Grains CSP ETC	ETPGRN	829,150	7.45	9.31	7.45	10.63	0.63	-	0.49	0.67	-11.52	4,423	1	100.00	6/06/2012
ANZ ETFS Physical Gold ETF	ZGOL	764,200	-	-	-	-	-	-	0.40	-	-0.16	344	1	100.00	10/06/2015
ETFS Copper CSP ETC	ETPCOP	608,780	-2.16	-5.60	-2.16	-1.26	-1.87	-	0.49	0.75	0.22	390	1	100.00	6/06/2012
ETFS Agriculture CSP ETC	ETPAGR	530,751	4.60	7.46	4.60	4.60	-0.26	-	0.49	0.76	-6.34	3,259	1	100.00	6/06/2012
ETFS Wheat CSP ETC	ETPWHT	224,127	9.69	18.25	9.69	23.19	-4.23	-	0.49	0.93	-20.53	63,950	1	100.00	6/06/2012
ETFS Energy CSP ETC	ETPNRG	151,264	7.69	9.87	7.69	-31.18	-3.41	-	0.49	0.72	-0.07	1,715	1	100.00	6/06/2012
ETFS All Commodities CSP ETC	ETPCMD	104,654	4.10	3.62	4.10	-7.61	-0.64	-	0.49	0.50	-2.33	1,210	1	100.00	6/06/2012
ETFS Industrial Metals CSP ETC	ETPIND	86,540	-5.02	-6.12	-5.02	-2.06	-0.78	-	0.49	0.73	1.96	400	1	100.00	6/06/2012
ETFS Natural Gas CSP ETC	ETPGAS	67,460	-4.00	0.96	-4.00	-32.52	-6.25	-	0.49	1.64	-0.39	610,000	1	100.00	6/06/2012
ETFS Corn CSP ETC	ETPCRN	53,095	6.02	6.88	6.02	8.09	-4.92	-	0.49	0.81	-14.38	4,500	1	100.00	6/06/2012
Market Vectors MSCI Wld ex Aus Qlty ETF	QUAL	N.Av	8.62	-0.80	8.62	-	-	-	0.75	0.24	0.58	1,328,098	307	27.17	29/10/2014
UBS IQ Research Preferred Aus Div ETF	DIV	N.Av	11.08	-0.02	10.97	10.43	-	-	0.70	0.22	N.Av	176,362	42	56.93	14/01/2014

ETF Name	Ticker	Net Assets	Return YTD %	1 Mo %	3 Mo %	6 Mo %	1 Yr%	3 Yr %pa	Fee %	Bid/Ask % ¹	Average Prem/Disc ²	Traded Volume ³	No. Holdings	% Top 10	Launch Date
UBS IQ Research Preferred Aus Shr ETF	ETF	N.Av	13.54	2.21	12.22	9.93	-	-	0.70	0.21	N.Av	142,740	42	45.47	18/10/2012
UBS IQ MSCI Australia Ethical ETF	UBA	N.Av	-	-1.85	-	-	-	-	0.17	0.18	N.Av	49,216	71	56.81	18/02/2015
Perth Mint Gold ETF	PMGOLD	N.Av	-	-	-	-	-	-	0.15	0.61	N.Av	0	1	100.00	9/05/2003
Market Vectors ChinaAMC A-Share ETF (Synthetic)	CETF	N.Av	-	-	-	-	-	-	-	-	-	0	N.Av	N.Av	26/06/2015
Market Vectors Gold Miners ETF	GDX	N.Av	-	-	-	-	-	-	0.53	-	-	0	N.Av	N.Av	24/06/2015
Market Vectors Morningstar Wide Moat ETF	MOAT	N.Av	-	-	-	-	-	-	0.49	-	-	0	N.Av	N.Av	24/06/2015

1 Average % Spread = (offer-bid /midpoint as measured from 10.30am - 3.45pm). Source: ASX

2 The monthly average premium/discount of ETF from its NAV at the closing price. Source: Morningstar Direct

3 Total traded volume over the quarter. Source: Morningstar Direct