

# Broker Basket Reference Guide

## AUSTRALIAN SECTOR ETFS

### 10 STEPS TO CREATING ETF UNITS

When	What	How
1 Prior to market open	Access daily index basket	marketvectors-australia.com
2 During trading hours	A Contact Mainstream BPO and advise of intended application to the fund	PHONE 02 9247 3326 FAX 02 9251 3325
	B Forward completed application form to Mainstream BPO (see PDS)	Sourced from marketvectors-australia.com FAX TO 02 9251 3325
	C Advise ASX Market Control (ASX Trading Operations and Markets)	FAX 02 9235 185 EMAIL marketcontrol@asx.com.au
3 After market close, prior to market opening next day	Report in-kind security trades through ITS.	Report as 'ETF Special Trade' (Condition Code: ET) using close of day index prices – as defined by S&P/ASX
4 Trade date +1	A Access start of day's Fund NAV	marketvectors-australia.com
	B Adjust NAV by transaction charge	See example on page 2
	C Generate CHESS 101 messages for security and ETF trades: <ul style="list-style-type: none"> <li>• Transaction Basis F</li> <li>• Against RBC Dexia PID</li> </ul>	Calculate consideration: <ul style="list-style-type: none"> <li>• Basket securities – use S&amp;P/ASX index closing price as at Trade Date</li> <li>• ETF Units – use ETF NAV as calculated by Aii adjusted for transaction fee</li> </ul>
5 Trade date +2	Trades are pre-matched	Via CHESS
6 Trade date +3	Trades settle	Via CHESS

## AUSTRALIAN SECTOR ETFS

Example of creation unit<sup>(1)</sup>

NAV per unit	\$	5.00
Units per creation unit		200,000
NAV per creation unit	\$	1,000,000.00
Value of index parcel for DDMMYYYY	\$	999,500.00
Cash component per creation unit <sup>(2)</sup>	\$	500.00
Transaction fee per application/redemption	\$	2,000.00

APPLICATION	UNITS	NAV	\$
ETF buy trade	200,000	5.00	1,000,000.00
ETF buy trade adjusted for transaction fee <sup>(3)</sup>	200,000	5.01	1,002,000.00
50 sell stock trades vs consideration	aggregate consideration		999,500.00
Contra units vs stocks leaves residual cash*			2,500.00

\* \$2,000 transaction fee plus \$500 cash component

REDEMPTION	UNITS	NAV	\$
ETF sell trade	200,000	5.00	1,000,000.00
ETF sell trade adjusted for transaction fee	200,000	4.99	998,000.00
50 buy stock trades vs consideration aggregate consideration			999,500.00
Contra units vs stocks leaves residual cash*			1,500.00

\* \$2,000 transaction fee plus \$500 cash component

Example of creation unit (with negative cash component)<sup>(1)</sup>

NAV per unit	\$	5.00
Units per creation unit		200,000
NAV per creation unit	\$	1,000,000.00
Value of index parcel for DDMMYYYY	\$	1,000,100.00
Cash component per creation unit	-\$	100.00
Transaction fee per application/redemption	\$	2,000.00

APPLICATION	UNITS	NAV	\$
ETF buy trade	200,000	5.00	1,000,000.00
ETF buy trade adjusted for transaction fee <sup>(3)</sup>	200,000	5.01	1,002,000.00
50 sell stock trades vs consideration	aggregate consideration		1,000,100.00
Contra units vs stocks leaves residual cash*			1,900.00

\* \$2,000 transaction fee plus -\$100 cash component

REDEMPTION	UNITS	NAV	\$
ETF sell trade	200,000	5.00	1,000,000.00
ETF sell trade adjusted for transaction fee	200,000	4.99	998,000.00
50 buy stock trades vs consideration aggregate consideration			1,000,100.00
Contra units vs stocks leaves residual cash*			2,100.00

\* \$2,000 transaction fee less -\$100 cash component

<sup>(1)</sup> All of these components are needed to make a creation unit.

<sup>(2)</sup> This is the difference between NAV per creation unit and the value of the index parcel.

<sup>(3)</sup> NAV is adjusted by dividing the consideration by 200,000 units.

## AUSTRALIAN SECTOR ETFS

## Funds

	ASX CODE	EIN CODE
Aii S&P/ASX 200 Energy	ENY	YENY
Aii S&P/ASX 200 Financials	FIN	YFIN
Aii S&P/ASX 200 Financials x-A-REIT	FIX	YFIX
Aii S&P/ASX 200 Industrials	IDD	YIDD
Aii S&P/ASX 300 Metals and Mining	MAM	YMAM
Aii S&P/ASX 200 Resources	RSR	YRSR

## Fund Specifications

NAV (net asset value)	Fund is valued daily, using close of day S&P/ASX index prices
Management Cost* (capped)	0.43% p.a.
Trading hours	ASX trading hours
Applications	Available to participating brokers of the ASX operating as principal

\*The fees and cost for managing the Fund.

## Index Basket Information

Index basket files	Calculated daily and distributed prior to market opening
Access to index basket files	Available on: <a href="http://marketvectors-australia.com">marketvectors-australia.com</a> ASX signal E feed: SK – Securities Detail and ST – ETF Details – FINBSK, FIXBSK, RSRBSK, IDDBSK, ENYBSK, MAMBSK
Basket size	Minimum 200,000 Units of the Fund, multiples thereafter, minimum 80,000 for ENY
Basket transaction charges	From \$1,000 to \$1,800 depending on basket
Trading hours for primary market	ASX trading hours
Primary market trading	Available to participating brokers of the ASX operating as principal
Creation/Redemption	Primary market transactions made during ASX trading hours, are applied against fund's closing NAV for that day
(Applications/Redepmtions)	Applications received after the end of trading are applied against the next day's fund closing NAV
Index basket pricing	S&P/ASX closing day index prices
EIN	Estimated Intraday NAV, calculated by ASX on 30 second snap
Cash component	Difference between NAV and value of index basket shares
Counterparty for settlements	RBC Investor Services Trust

## Contacts

Market Vectors Australia	Investment Manager	EMAIL <a href="mailto:info@marketvectors-australia.com">info@marketvectors-australia.com</a> PHONE 1300 125 592
MainstreamBPO	Registry	PHONE 02 9247 3326   FAX 02 9251 3525

**Disclaimer:** This information has been prepared by Market Vectors Australia (ABN 52 137 160 528) (AFSL CAR No: 344 024) as investment manager of the Aii Sector ETFs. The Aii Sector ETFs are issued by Valuestream Investment Management (ACN 094 107 034) (AFSL No 246621) ("VIML") under a Product Disclosure Statement ("PDS") for the Aii Sector ETFs. Copies of the PDS are available on the Market Vectors Australia website [www.marketvectors-australia.com](http://www.marketvectors-australia.com) or by contacting Market Vectors Australia. Please read the entire PDS before making any investment decision. This information sheet has been prepared for promotional purposes only and is not intended to amount to advice or a recommendation to invest in the Aii Sector ETFs and does not constitute an offer or an invitation to purchase or subscribe for the Aii Sector ETFs. It does not take into account your investment objectives, financial situation or particular needs. You should seek professional advice these matters before making an investment decision. "S&P" is a trademark of Standard & Poor's Financial Services LLC and "ASX" is a trademark of ASX Operations Pty Ltd. These trademarks have been licensed for use by Market Vectors Australia. The Aii Sector ETFs are not sponsored, endorsed, sold or promoted by Standard & Poor's or ASX Operations Pty Ltd. Standard & Poor's and ASX Operations Pty Ltd make no recommendation as to the advisability of investing in the Aii Sector ETFs. Various indices are referred to in this information sheet; such references should not be construed as an express or implied endorsement of the indices by Market Vectors Australia or VIML. Returns on the Aii Sector ETFs are not guaranteed. All other trademarks, servicemarks, or registered trademarks are the property of their respective owners.