

6 June 2013

Market Announcements Office

ASX Limited

[FOR RELEASE UNDER ALL CODES LISTED IN THE TABLE BELOW]

ANNOUNCEMENT: FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

Market Vectors Australia Pty Ltd (the **Investment Manager**) makes this announcement on behalf of Valuestream Investment Management Limited (**Valuestream**) the Responsible Entity of the Australian Index Investments Sector Index Exchange Traded Funds (the **Scheme**).

The Scheme comprises six exchange traded funds (**Aii ETFs**) all of which have been suspended from trading on ASX, effective Wednesday 5 June 2013 (Refer to the announcement on the ASX dated 5 June 2013 for further details). The Aii ETFs are as follows:

ASX CODE	Aii ETF
ENY	Aii S&P/ASX 200 Energy
FIN	Aii S&P/ASX 200 Financials
FIX	Aii S&P/ASX 200 Financials x-A-REIT
IDD	Aii S&P/ASX 200 Industrials
MAM	Aii S&P/ASX 300 Metals and Mining
RSR	Aii S&P/ASX 200 Resources

Attached is a copy of the Scheme Financial Report for the Half-year Ended 31 December 2012 document which has been lodged with the Australian Securities & Investments Commission.

Consult your financial adviser | Visit our website marketvectors-australia.com

This information been prepared by Market Vectors Australia Pty Ltd ("Investment Manager") and Valuestream Investment Management Limited (ABN: 66 094 107 034, ASFL: 246621) ("Valuestream"). Valuestream is the issuer of the Australian Index Investments Sector Index Exchange Traded Funds. The Investment Manager is an authorised representative (No 344024) of Market Vectors Investments Limited (AFSL No 416755). The Aii ETFs are not sponsored, endorsed, issued, sold or promoted by the provider of the index to which these funds seeks to track. The index provider makes no representation regarding the advisability of investing in the Aii ETFs. Performance is not guaranteed. The Investment Manager is majority owned by Van Eck Associates Corporation ("Van Eck Global"). Market Vectors® is a registered trademark of Van Eck Global. All other trademarks, service marks or registered trademarks are the property of their respective owners.

Paul Mone
5/6/13

**AUSTRALIAN INDEX INVESTMENTS SECTOR INDEX
EXCHANGE TRADED FUNDS**

ARSN 141 693 727

**FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

**Responsible Entity:
Valuestream Investment Management Limited
ABN 66 094 107 034
Level 34, 50 Bridge Street
Sydney NSW 2000**

AUSTRALIAN INDEX INVESTMENTS SECTOR INDEX EXCHANGE TRADED FUNDS
ARSN 141 693 727
FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

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AUSTRALIAN INDEX INVESTMENTS SECTOR INDEX EXCHANGE TRADED FUNDS
ARSN 141 693 727
DIRECTORS' REPORT OF THE RESPONSIBLE ENTITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

Directors' Report

The directors of Valuestream Investment Management Limited (ABN 66 094 107 034), the Responsible Entity of the Australian Index Investments Sector Index Exchange Traded Funds, submit their report together with the financial statements of the Australian Index Investments Sector Index Exchange Traded Funds ("the Fund") for the half-year ended 31 December 2012 and the independent auditor's report thereon.

Directors

The names and details of directors of the Responsible Entity in office since the start of the financial period and until the date of this report are as follows:

<i>Name</i>	<i>Position</i>	<i>Period of Directorship</i>
Robert Marie	Managing Director	Appointed 28 August 2006
Kirsten Marie	Non Executive Director	Appointed 8 May 2009
Michael Fenech	Non Executive Director	Appointed 25 June 2009

No units of the Australian Index Investments Sector Index Exchange Traded Funds are held by directors or director-related entities.

Principal Activities

The Fund is a registered managed investment scheme constituted on 20 January 2010 and domiciled in Australia.

The Fund is designed to enable unitholders to obtain exposure to Australian sector specific equities including financials, financials x-A-REITs, industrials, resources, energy, and metals and mining by investing in a class of units. Each class of units (also called 'Aii ETFs') will closely track a specific sector index.

The Fund is an exchange traded fund. Exchange traded funds ('ETFs') are open ended funds that generally invest in a basket of listed securities, bonds or managed funds that make up an index or a particular sector. ETFs seek to replicate (or in the case of the Aii ETFs, closely track) the relevant index or sector.

The Fund will aim to provide investment returns, before fees and expenses, that closely correspond to the performance of the particular index applicable to the Fund (being the S&P/ASX 200 Industrials, S&P/ASX 200 Resources, S&P/ASX 200 Energy, S&P/ASX 300 Metals and Mining, S&P/ASX 200 Financials, and S&P/ASX 200 Financials X-A-REIT).

The various Aii ETFs are outlined in the table below:

<i>Australian Index Investments ETFs</i>	<i>Underlying Sector Index</i>
Aii S&P/ASX 200 Resources ETF	S&P/ASX 200 Resources
Aii S&P/ASX 200 Financials ETF	S&P/ASX 200 Financials
Aii S&P/ASX 200 Energy ETF	S&P/ASX 200 Energy
Aii S&P/ASX 200 Industrials ETF	S&P/ASX 200 Industrials
Aii S&P/ASX 300 Metals and Mining ETF	S&P/ASX 300 Metals and Mining
Aii S&P/ASX 200 Financials x-A-REIT ETF	S&P/ASX 200 Financials x-A-REIT

The Fund did not have any employees during the period.

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

AUSTRALIAN INDEX INVESTMENTS SECTOR INDEX EXCHANGE TRADED FUNDS
ARSN 141 693 727
DIRECTORS' REPORT OF THE RESPONSIBLE ENTITY (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

Directors' Report (continued)

Operating Results and Review of Operations

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

Half-year ended 31 December 2012

	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 300	Aii S&P/ASX 200
	Resources	Financials	Energy	Industrials	Metals and Mining	Financials x- A-REIT
	\$	\$	\$	\$	\$	\$
Net operating profit before financing costs attributable to unitholders	353,371	285,156	115,904	79,238	205,223	565,145
Distribution paid and payable (Refer to Note 7)	44,904	76,357	23,619	15,297	19,325	157,174
Distribution (cents per unit)	5.2522	21.5367	14.6768	7.6150	3.8426	43.8721

Half-year ended 31 December 2011

	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 300	Aii S&P/ASX 200
	Resources	Financials	Energy	Industrials	Metals and Mining	Financials x- A-REIT
	\$	\$	\$	\$	\$	\$
Net operating loss before financing costs attributable to unitholders	(1,745,721)	(213,742)	(505,015)	(41,207)	(987,422)	(110,213)
Distribution paid and payable	61,839	103,824	51,283	23,444	62,026	100,806
Distribution (cents per unit)	4.1170	25.8062	21.3327	5.2019	10.3252	14.2428

The values of the Fund's gross assets were as follows.

As at 31 December 2012

	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 300	Aii S&P/ASX 200
	Resources	Financials	Energy	Industrials	Metals and Mining	Financials x- A-REIT
	\$	\$	\$	\$	\$	\$
Gross assets	3,703,771	1,766,379	1,997,289	722,140	1,846,530	2,140,090

AUSTRALIAN INDEX INVESTMENTS SECTOR INDEX EXCHANGE TRADED FUNDS
ARSN 141 693 727
DIRECTORS' REPORT OF THE RESPONSIBLE ENTITY (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

Directors' Report (continued)

Operating Results and Review of Operations (continued)

	As at 30 June 2012					
	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 300	Aii S&P/ASX 200
	Resources \$	Financials \$	Energy \$	Industrials \$	Metals and Mining \$	Financials x- A-REIT \$
Gross assets	6,687,279	1,741,691	2,856,886	1,476,855	1,960,288	3,609,511

Events Subsequent to Reporting Date

The Board of Directors of the Responsible Entity resolved on 4 June 2013 to terminate the Australian Index Investment Sector Index Exchange Traded Funds effective 10 AM AEST on Wednesday 12 June 2013. As a result of termination an application was made to the ASX on 5 June, prior to opening of the market to place an immediate suspension on trading of the Funds. Trading will not recommence.

With effect from the Termination Date, the Responsible Entity and the Investment Manager will proceed as quickly as practicably possible towards selling the assets of the Fund (all of which are liquid) and pay the proceeds to Investors as per the indicative timetable contained in the ASX market announcement released on 5 June 2013.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Fund, the results of the operations, or the state of affairs of the Fund in the future financial years.

Significant Changes in State of Affairs

No significant changes occurred in the Fund's state of affairs during the financial period.

Auditor's Independence Declaration

The Auditor's Independence Declaration is set out on page 5 and forms part of this Directors' Report for the period ended 31 December 2012.

Signed in accordance with a resolution of the Board of Directors of the Responsible Entity.



Robert Marie
Director

Dated in Sydney, this 5th day of June 2013

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Sydney NSW 2000

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**Auditor's Independence Declaration
to the Directors of Valuestream Investment Management Limited,
as Responsible Entity of
Australian Index Investments Sector Index Exchange Traded Funds**

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Australian Index Investments Sector Index Exchange Traded Funds for the half-year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b. no contraventions of any applicable code of professional conduct in relation to the review.



Moore Stephens Sydney
Chartered Accountants



C Chandran
Partner

Dated in Sydney this 5th day of June 2013

AUSTRALIAN INDEX INVESTMENTS SECTOR INDEX EXCHANGE TRADED FUNDS
ARSN 141 693 727
STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 300	Aii S&P/ASX 200
	Resources	Financials	Energy	Industrials	Metals and Mining	Financials x-A- REIT
	\$	\$	\$	\$	\$	\$
For the half-year ended 31 December 2012	Note					
Revenue	4	53,485	53,185	28,076	13,745	22,889
Realised (loss)/gain on investments		(1,271,267)	(3,710)	(342,674)	(113,831)	(180,531)
Unrealised gain on investments		1,580,168	239,399	435,317	181,060	366,731
Transaction costs		-	(61)	(123)	-	-
Management fees		(9,015)	(3,657)	(4,625)	(1,736)	(3,866)
Other fees		-	-	(67)	-	-
Net profit for the period		353,371	285,156	115,904	79,238	205,223
Other comprehensive income/(loss)		-	-	-	-	-
Total comprehensive profit for the period	6	353,371	285,156	115,904	79,238	205,223
		565,145	565,145	565,145	565,145	565,145

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

AUSTRALIAN INDEX INVESTMENTS SECTOR INDEX EXCHANGE TRADED FUNDS
 ARSN 141 693 727
 STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 300	Aii S&P/ASX 200
	Resources	Financials	Energy	Industrials	Metals and Mining	Financials x-A- REIT
	\$	\$	\$	\$	\$	\$
For the half-year ended 31 December 2011						
Revenue	87,798	71,675	41,194	27,645	48,738	70,801
Realised (loss)/gain on investments	(40,240)	(159,146)	(10,668)	737	(320,986)	(5,259)
Unrealised loss on investments	(1,776,502)	(121,761)	(528,177)	(66,184)	(706,153)	(170,877)
Transaction costs	(670)	(104)	(261)	(203)	(417)	(68)
Management fees	(16,107)	(4,406)	(7,103)	(3,202)	(8,604)	(4,810)
Net loss for the period	(1,745,721)	(213,742)	(505,015)	(41,207)	(987,422)	(110,213)
Other comprehensive income/(loss)	-	-	-	-	-	-
Total comprehensive loss for the period	(1,745,721)	(213,742)	(505,015)	(41,207)	(987,422)	(110,213)

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

AUSTRALIAN INDEX INVESTMENTS SECTOR INDEX EXCHANGE TRADED FUNDS
 ARSN 141 693 727
 STATEMENT OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2012

	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 300 Metals and Mining	Aii S&P/ASX 200 Financials x-A- REIT
As at 31 December 2012	Note	Resources	Financials	Energy	Industrials	Financials
		\$	\$	\$	\$	\$
Assets						
Cash and cash equivalents		600	4,034	3,494	682	6,372
Financial assets	5	3,703,154	1,758,050	1,985,188	717,522	1,840,154
Trade and other receivables		17	4,295	8,607	3,936	4
Total assets		3,703,771	1,766,379	1,997,289	722,140	1,846,530
						2,140,090
Liabilities						
Trade and other payables		11,914	5,652	5,991	2,428	4,787
Distributions payable	7	45,032	76,390	23,801	15,307	19,405
Total liabilities		56,946	82,042	29,792	17,735	24,192
						165,415
Net assets attributable to unitholders		3,646,825	1,684,337	1,967,497	704,405	1,822,338
						1,974,675
Equity						
Contributed equity		5,754,486	1,719,908	2,894,093	879,605	2,858,932
Accumulated (loss)/profit		(2,107,661)	(35,571)	(926,596)	(175,200)	(1,036,594)
Total equity	6	3,646,825	1,684,337	1,967,497	704,405	1,822,338
						1,974,675

The Statement of Financial Position should be read in conjunction with the accompanying notes.

AUSTRALIAN INDEX INVESTMENTS SECTOR INDEX EXCHANGE TRADED FUNDS
 ARSN 141 693 727
 STATEMENT OF FINANCIAL POSITION (CONTINUED)
 AS AT 31 DECEMBER 2012

	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 300 Metals and Mining	Aii S&P/ASX 200 Financials x-A- REIT
As at 30 June 2012	Note	Resources \$	Financials \$	Energy \$	Industrials \$	Financials x-A- REIT
Assets						
Cash and cash equivalents		4,476	807	1,800	296	3,746
Financial assets	5	6,682,431	1,708,910	2,839,291	1,464,587	1,956,334
Trade and other receivables		372	31,974	15,795	11,972	208
Total assets		6,687,279	1,741,691	2,856,886	1,476,855	1,960,288
Liabilities						
Trade and other payables		2,899	20,835	8,127	692	921
Distributions payable	7	83,676	26,657	22,588	27,967	1,496
Total liabilities		86,575	47,492	30,715	28,659	2,417
Net assets attributable to unitholders		6,600,704	1,694,199	2,826,171	1,448,196	1,957,871
Equity						
Contributed equity		9,061,736	2,014,926	3,868,671	1,702,634	3,199,688
Accumulated loss		(2,461,032)	(320,727)	(1,042,500)	(254,438)	(1,241,817)
Total equity	6	6,600,704	1,694,199	2,826,171	1,448,196	1,957,871
		3,526,079	3,526,079			3,526,079

The Statement of Financial Position should be read in conjunction with the accompanying notes.

AUSTRALIAN INDEX INVESTMENTS SECTOR INDEX EXCHANGE TRADED FUNDS
 ARSN 141 693 727
 STATEMENT OF CHANGES IN EQUITY
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 300 Metals and Mining	Aii S&P/ASX 200 Financials x-A- REIT
Note	Resources \$	Financials \$	Energy \$	Industrials \$		
Balance at 1 July 2011	8,330,288	2,664,714	3,583,341	1,405,528	4,872,707	2,093,819
Loss for the period	(1,745,721)	(213,742)	(505,015)	(41,207)	(987,422)	(110,213)
Other comprehensive income/(loss) for the period	(1,745,721)	(213,742)	(505,015)	(41,207)	(987,422)	(110,213)
Total comprehensive loss for the period	(1,745,721)	(213,742)	(505,015)	(41,207)	(987,422)	(110,213)
Transactions with owners in their capacity as owners:						
Applications	7,868	1,166	4,453	166,621	2,722	1,425,658
Redemptions	(61,839)	(776,455)	(51,283)	(23,444)	(1,626,148)	(100,806)
Distributions paid	(53,971)	(103,824)	(46,830)	143,177	(1,685,452)	1,324,852
	(879,113)	(879,113)	(46,830)	143,177	(1,685,452)	1,324,852
Balance at 31 December 2011	6,530,596	1,571,859	3,031,496	1,507,498	2,199,833	3,308,458
Balance at 1 July 2012	6,600,704	1,694,199	2,826,171	1,448,196	1,957,871	3,526,079
Profit for the period	353,371	285,156	115,904	79,238	205,223	565,145
Other comprehensive income/(loss) for the period	353,371	285,156	115,904	79,238	205,223	565,145
Total comprehensive profit for the period	353,371	285,156	115,904	79,238	205,223	565,145
Transactions with owners in their capacity as owners:						
Applications	8,892	1,885	2,558	386	193	559
Redemptions	(3,271,238)	(220,546)	(953,517)	(808,118)	(321,624)	(1,959,934)
Distributions paid/payable	(44,904)	(76,357)	(23,619)	(15,297)	(19,325)	(157,174)
	(3,307,250)	(295,018)	(974,578)	(823,029)	(340,756)	(2,116,549)
Balance at 31 December 2012	6	1,684,337	1,967,497	704,405	1,822,338	1,974,675

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

AUSTRALIAN INDEX INVESTMENTS SECTOR INDEX EXCHANGE TRADED FUNDS
ARSN 141 693 727
STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 300 Metals and Mining	Aii S&P/ASX 200 Financials x-A- REIT
For the half-year ended 31 December 2012						
Cash flows from operating activities						
Dividends received	53,448	80,849	28,058	21,683	22,958	163,656
Interest received	37	18	18	12	17	20
Other fees paid			(67)			
RITC received/(paid)	353	(4)	185	86	118	179
Transaction costs paid	-	(61)	(123)	-	-	(115)
Net cash flows provided by operating activities	53,838	80,802	28,071	21,781	23,093	163,740
Cash flows from investing activities						
Purchase of investments	(112,282)	(92,780)	(83,567)	(57,088)	(37,729)	(201,668)
Proceeds from sale of investments	3,400,462	260,490	1,030,555	871,382	340,109	2,033,540
Net cash flows provided by investing activities	3,288,180	167,710	946,988	814,294	302,380	1,831,872
Cash flows from financing activities						
Proceeds from unitholder applications	8,892	1,885	2,558	386	193	559
Redemptions by unitholders	(3,271,238)	(220,546)	(953,517)	(808,118)	(321,624)	(1,959,934)
Payment of distribution	(83,548)	(26,624)	(22,406)	(27,957)	(1,416)	(34,680)
Net cash flows used in financing activities	(3,345,894)	(245,285)	(973,365)	(835,689)	(322,847)	(1,994,055)
Net (decrease)/increase in cash held	(3,876)	3,227	1,694	386	2,626	1,557
Cash and cash equivalents at beginning of the financial period	4,476	807	1,800	296	3,746	1,323
Cash and cash equivalents at end of the financial period	600	4,034	3,494	682	6,372	2,880

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

AUSTRALIAN INDEX INVESTMENTS SECTOR INDEX EXCHANGE TRADED FUNDS
ARSN 141 693 727
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 300 Metals and Mining	Aii S&P/ASX 200 Financials x-A- REIT
Cash flows from operating activities						
Dividends received	86,898	113,278	39,453	28,155	48,687	107,844
Interest received	-	-	-	-	-	-
Other income received	275	-	540	-	8	-
Management fees paid	(22,784)	(6,707)	(10,775)	(4,504)	(12,461)	(4,243)
RITC received/(paid)	137	50	(41)	(11)	28	145
Transaction costs paid	(670)	(103)	(261)	(203)	(417)	(68)
Other expenses paid	-	-	-	-	-	-
Net cash flows provided by operating activities	63,856	106,518	28,916	23,437	35,845	103,678
Cash flows from investing activities						
Purchase of investments	(392,084)	(144,322)	(140,567)	(300,875)	(220,211)	(1,554,747)
Proceeds from sale of investments	437,235	834,602	164,612	133,619	1,833,318	44,172
Net cash flows provided by/(used in) investing activities	45,151	690,280	24,045	(167,256)	1,613,107	(1,510,575)
Cash flows from financing activities						
Proceeds from unitholder applications	7,868	1,166	4,453	166,621	2,722	1,425,658
Redemptions by unitholders	-	(776,455)	-	-	(1,626,148)	-
Payment of distribution	(135,776)	(24,874)	(59,615)	(25,538)	(41,530)	(20,690)
Net cash flows (used in)/provided by financing activities	(127,908)	(800,163)	(55,162)	141,083	(1,664,956)	1,404,968
Net decrease in cash held	(18,901)	(3,365)	(2,201)	(2,736)	(16,004)	(1,929)
Cash and cash equivalents at beginning of the financial period	19,415	3,870	4,046	6,346	22,305	2,576
Cash and cash equivalents at end of the financial period	514	505	1,845	3,610	6,301	647

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

AUSTRALIAN INDEX INVESTMENTS SECTOR INDEX EXCHANGE TRADED FUNDS
ARSN 141 693 727
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

NOTE 1: GENERAL INFORMATION

These financial statements cover Australian Index Investments Sector Index Exchange Traded Funds ("the Fund") as an individual entity. The Fund is a registered managed investment scheme pursuant to the *Corporations Act 2001* and domiciled in Australia. The Fund was constituted on 20 January 2010 and was registered with the Australian Securities and Investments Commission on 10 February 2010.

The Fund is designed to enable unitholders to obtain exposure to Australian sector specific equities including financials, financials x-A-REITs, industrials, resources, energy, and metals and mining by investing in a class of units. Each class of units (also called 'Aii ETFs') will closely track a specific sector index.

The Fund is an exchange traded fund. Exchange traded funds ('ETFs') are open ended funds that generally invest in a basket of listed securities, bonds or managed funds that make up an index or a particular sector. ETFs seek to replicate (or in the case of the Aii ETFs, closely track) the relevant index or sector.

The Fund will aim to provide investment returns, before fees and expenses, that closely correspond to the performance of the particular index applicable to the Fund (being the S&P/ASX 200 Financials, S&P/ASX 200 Financials x-A-REIT, S&P/ASX 200 Industrials, S&P/ASX 200 Resources, S&P/ASX 200 Energy, and S&P/ASX 300 Metals and Mining).

The various Aii ETFs are outlined in the table below:

<i>Australian Index Investments ETFs</i>	<i>Underlying Sector Index</i>
Aii S&P/ASX 200 Resources ETF	S&P/ASX 200 Resources
Aii S&P/ASX 200 Financials ETF	S&P/ASX 200 Financials
Aii S&P/ASX 200 Energy ETF	S&P/ASX 200 Energy
Aii S&P/ASX 200 Industrials ETF	S&P/ASX 200 Industrials
Aii S&P/ASX 300 Metals and Mining ETF	S&P/ASX 300 Metals and Mining
Aii S&P/ASX 200 Financials x-A-REIT ETF	S&P/ASX 200 Financials x-A-REIT

NOTE 2: BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2012 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: *Interim Financial Reporting*.

The interim financial report is intended to provide users with an update on the latest annual financial statements of Australian Index Investments Sector Index Exchange Traded Funds ("the Fund"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Fund. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Fund for the year ended 30 June 2012.

The accounting policies applied by the Fund in the interim financial statements are the same as those applied by the Fund for the year ended 30 June 2012.

The financial statements have been approved for release by the Board of Directors of the Responsible Entity on 5 June 2013.

It was resolved by the Board of Directors of the Responsible Entity of the Fund on 4 June 2013 for the Fund to be wound up. As a result, the financial report has been prepared on a wind up basis. Under the wind up basis, adjustments are made to ensure that the assets and liabilities of the Fund are being carried at their estimated realisable values. The proposed termination of the Fund will be effective 10 AM AEST on Wednesday 12 June 2013.

AUSTRALIAN INDEX INVESTMENTS SECTOR INDEX EXCHANGE TRADED FUNDS
ARSN 141 693 727
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

NOTE 3: NEW, REVISED OR AMENDING ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The Fund has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these accounting standards and interpretations did not have any significant impact on the financial performance or position of the Fund. The following Accounting Standards and Interpretations are most relevant to the Fund:

AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income

The Fund has applied AASB 2010-4 amendments from 1 July 2012. The amendment introduces new terminology for the statement of comprehensive income and income statement. Under the amendments to AASB 101, the statement of comprehensive income is renamed as statement of profit or loss and other comprehensive income. It also requires other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met.

Other than the above mentioned presentation changes, the application of the amendments to AASB 101 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

NOTE 4: REVENUE FROM ORDINARY ACTIVITIES

31 DECEMBER 2012

	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 300	Aii S&P/ASX 200
	Resources \$	Financials \$	Energy \$	Industrials \$	Metals and Mining \$	Financials x- A-REIT \$
Interest income	37	18	18	12	17	20
Dividend income	53,448	53,167	28,058	13,733	22,872	95,436
	53,485	53,185	28,076	13,745	22,889	95,456

31 DECEMBER 2011

	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 300	Aii S&P/ASX 200
	Resources \$	Financials \$	Energy \$	Industrials \$	Metals and Mining \$	Financials x- A-REIT \$
Dividend income	87,503	71,675	40,655	27,645	48,730	70,801
Other income	295	-	539	-	8	-
	87,798	71,675	41,194	27,645	48,738	70,801

AUSTRALIAN INDEX INVESTMENTS SECTOR INDEX EXCHANGE TRADED FUNDS
 ARSN 141 693 727
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

NOTE 5: FINANCIAL ASSETS

	31 DECEMBER 2012					
	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 300	Aii S&P/ASX 200
	Resources \$	Financials \$	Energy \$	Industrials \$	Metals and Mining \$	Financials x- A-REIT \$
<i>Designated at fair value through profit or loss</i>						
Domestic equities	3,703,154	1,456,243	1,985,188	507,250	1,840,154	2,109,610
Unit trusts	-	264,849	-	182,303	-	26,500
Property trusts	-	36,958	-	27,969	-	1,093
Total financial assets held at fair value through profit or loss	3,703,154	1,758,050	1,985,188	717,522	1,840,154	2,137,203
	30 JUNE 2012					
	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 300	Aii S&P/ASX 200
	Resources \$	Financials \$	Energy \$	Industrials \$	Metals and Mining \$	Financials x- A-REIT \$
<i>Designated at fair value through profit or loss</i>						
Domestic equities	6,682,431	1,402,682	2,839,291	1,035,039	1,956,334	3,497,313
Unit trusts	-	268,841	-	380,552	-	39,664
Property trusts	-	37,387	-	48,996	-	2,804
Total financial assets held at fair value through profit or loss	6,682,431	1,708,910	2,839,291	1,464,587	1,956,334	3,539,781

AUSTRALIAN INDEX INVESTMENTS SECTOR INDEX EXCHANGE TRADED FUNDS
ARSN 141 693 727
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

NOTE 6: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

31 DECEMBER 2012

	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 300	Aii S&P/ASX 200
	Resources \$	Financials \$	Energy \$	Industrials \$	Metals and Mining \$	Financials x- A-REIT \$
Opening balance	6,600,704	1,694,199	2,826,171	1,448,196	1,957,871	3,526,079
Applications	8,892	1,885	2,558	386	193	559
Redemptions	(3,271,238)	(220,546)	(953,517)	(808,118)	(321,624)	(1,959,934)
Distributions	(44,904)	(76,357)	(23,619)	(15,297)	(19,325)	(157,174)
Total comprehensive income	353,371	285,156	115,904	79,238	205,223	565,145
Closing balance	3,646,825	1,684,337	1,967,497	704,405	1,822,338	1,974,675

	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 300	Aii S&P/ASX 200
	Resources No. of units	Financials No. of units	Energy No. of units	Industrials No. of units	Metals and Mining No. of units	Financials x- A-REIT No. of units
Opening balance	1,702,800	404,103	240,709	450,762	602,841	708,147
Applications	2,150	439	218	121	66	109
Redemptions	(850,000)	(50,000)	(80,000)	(250,000)	(100,000)	(350,000)
Closing balance	854,950	354,542	160,927	200,883	502,907	358,256

30 JUNE 2012

	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 300	Aii S&P/ASX 200
	Resources \$	Financials \$	Energy \$	Industrials \$	Metals and Mining \$	Financials x- A-REIT \$
Opening balance	8,330,288	2,664,714	3,583,341	1,405,528	4,872,707	2,093,819
Applications	843,190	8,312	8,688	166,938	11,095	1,427,482
Redemptions	(122)	(776,478)	(131)	(7)	(1,626,246)	(12)
Distributions	(145,378)	(130,446)	(73,684)	(51,401)	(63,436)	(135,485)
Total comprehensive loss	(2,427,274)	(71,903)	(692,043)	(72,862)	(1,236,249)	140,275
Closing balance	6,600,704	1,694,199	2,826,171	1,448,196	1,957,871	3,526,079

AUSTRALIAN INDEX INVESTMENTS SECTOR INDEX EXCHANGE TRADED FUNDS
ARSN 141 693 727
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

NOTE 6: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (CONTINUED)

30 JUNE 2012 (CONTINUED)

	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 300	Aii S&P/ASX 200
	Resources	Financials	Energy	Industrials	Metals and Mining	Financials x- A-REIT
	No. of units	No. of units				
Opening balance	1,500,636	602,052	240,100	400,520	1,000,187	407,654
Applications	202,164	2,051	609	50,242	2,654	300,493
Redemptions	-	(200,000)	-	-	(400,000)	-
Closing balance	1,702,800	404,103	240,709	450,762	602,841	708,147

There are six separate classes of units and each unit in a particular class has the same rights attached to it as all other units in that class. Unitholders participate in distributions and the proceeds on winding up the Fund in proportion to the number of units held in a particular class.

NOTE 7: DISTRIBUTIONS

31 DECEMBER 2012

	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 300	Aii S&P/ASX 200
	Resources	Financials	Energy	Industrials	Metals and Mining	Financials x- A-REIT
	\$	\$	\$	\$	\$	\$
31 December 2012 (payable)	44,904	76,357	23,619	15,297	19,325	157,174
	44,904	76,357	23,619	15,297	19,325	157,174
	Cents per unit	Cents per unit				
31 December 2012 (payable)	5.2522	21.5367	14.6768	7.6150	3.8426	43.8721
	5.2522	21.5367	14.6768	7.6150	3.8426	43.8721

AUSTRALIAN INDEX INVESTMENTS SECTOR INDEX EXCHANGE TRADED FUNDS
ARSN 141 693 727
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

NOTE 7: DISTRIBUTIONS (CONTINUED)

	31 DECEMBER 2011					
	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 200	Aii S&P/ASX 300	Aii S&P/ASX 200
	Resources \$	Financials \$	Energy \$	Industrials \$	Metals and Mining \$	Financials x- A-REIT \$
31 December 2011 (payable)	61,839	103,824	51,283	23,444	62,026	100,806
	61,839	103,824	51,283	23,444	62,026	100,806
	Cents per unit	Cents per unit				
31 December 2011 (payable)	4.1170	25.8062	21.3327	5.2019	10.3252	14.2428
	4.1170	25.8062	21.3327	5.2019	10.3252	14.2428

NOTE 8: EVENTS SUBSEQUENT TO REPORTING DATE

The Board of Directors of the Responsible Entity resolved on 4 June 2013 to terminate the Australian Index Investment Sector Index Exchange Traded Funds effective 10 AM AEST on Wednesday 12 June 2013. As a result of termination an application was made to the ASX on 5 June, prior to opening of the market to place an immediate suspension on trading of the Funds. Trading will not recommence.

With effect from the Termination Date, the Responsible Entity and the Investment Manager will proceed as quickly as practicably possible towards selling the assets of the Fund (all of which are liquid) and pay the proceeds to Investors as per the indicative timetable contained in the ASX market announcement released on 5 June 2013.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Fund, the results of the operations, or the state of affairs of the Fund in the future financial years.

NOTE 9: CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There are no contingent liabilities or capital commitments of the Fund as at reporting date.

AUSTRALIAN INDEX INVESTMENTS SECTOR INDEX EXCHANGE TRADED FUNDS
ARSN 141 693 727
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

NOTE 10: FUND DETAILS

The registered office of the Fund is:

Australian Index Investments Sector Index Exchange Traded Funds
Level 13, 210 George Street
Sydney, NSW 2000

The principal place of business of the Fund is:

Australian Index Investments Sector Index Exchange Traded Funds
Goldfields House, Level 16, 1 Alfred Street
Sydney, NSW 2000

AUSTRALIAN INDEX INVESTMENTS SECTOR INDEX EXCHANGE TRADED FUNDS
ARSN 141 693 727
DIRECTORS' DECLARATION OF THE RESPONSIBLE ENTITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

The directors of Valuestream Investment Management Limited, the Responsible Entity of Australian Index Investments Sector Index Exchange Traded Funds, declare that:

- a. The financial statements and notes of Australian Index Investments Sector Index Exchange Traded Funds ("the Fund"), as set out on pages 6 to 19 are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Accounting Standard AASB 134: *Interim Financial Reporting*; and
 - ii. giving a true and fair view of the financial position of the Fund as at 31 December 2012 and its performance for the half-year ended on that date.
- b. In the Directors' opinion, 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 Board of Directors of the Responsible Entity.



Robert Marie
Director

Dated in Sydney this 5th day of June 2013

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Sydney NSW 2000

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE UNITHOLDERS OF
AUSTRALIAN INDEX INVESTMENTS SECTOR INDEX EXCHANGE TRADED FUNDS**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Australian Index Investments Sector Index Exchange Traded Funds ("the Fund"), which comprises the condensed statement of financial position as at 31 December 2012, and the condensed statement of comprehensive income, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, the accounting policies, other selected explanatory notes, and the director's declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of Valuestream Investment Management Limited, the Responsible Entity of the Fund, are responsible for the preparation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: "Review of an Interim Financial Report Performed by the Independent Auditor of the Entity", in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporation Act 2001* including: giving a true and fair view of the Fund's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: "Interim Financial Reporting" and the *Corporations Regulations 2001*. As the auditor of Australian Index Investments Sector Index Exchange Traded Funds, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of the half-year financial report consists of making enquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Australian Index Investments Sector Index Exchange Traded Funds is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Fund's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- (ii) complying with Australian Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*.

Adoption of Wind Up Basis of Accounting

Without modification to our opinion expressed above, we draw attention to Note 1 to the financial report. As disclosed in Note 1, the Responsible Entity of Australian Index Investments Sector Index Exchange Traded Funds has adopted the wind up basis of accounting as at 31 December 2012. The wind up basis of accounting requires the Fund to state assets at their estimated realisable values, liabilities at their anticipated settlement amounts and reclassify non-current assets and non-current liabilities as current. The ability of the Fund to continue to manage the realisation of assets and settlement of liabilities is dependent on the Fund's ability to undertake an orderly realisation of assets.

Moore Stephens Sydney

Moore Stephens Sydney
Chartered Accountants

C Chandran

C Chandran
Partner

Dated in Sydney this 5th day of June 2013