

A diversified portfolio of Australian corporate bonds offering a yield premium

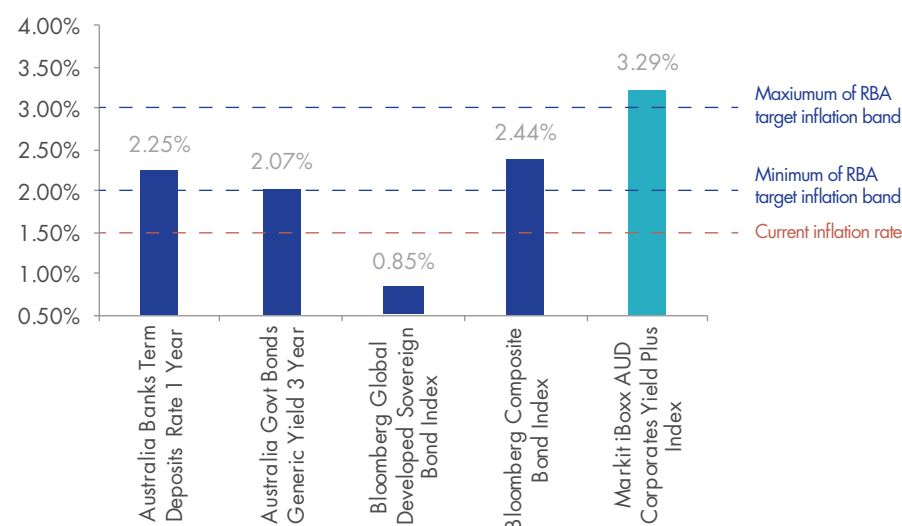
VanEck Vectors Australian Corporate Bond Plus ETF (ASX: PLUS) invests in a diversified portfolio of bonds consisting predominantly of the highest yielding investment grade corporate bonds issued in Australia with the aim of tracking the Market iBoxx AUD Corporates Yield Plus Index.

Only the top 50% highest yielding fixed rate Australian dollar corporate bonds relative to an Australian Commonwealth Government bond with a similar maturity are selected for the Index from Markit iBoxx's universe of Australian dollar corporate bonds. Bonds with a credit rating of investment grade must make up at least 80% of the Index.

PLUS offers:

- **Defence** - corporate bonds are considered less risky than shares because if the issuer becomes insolvent bond holders are repaid in priority to shareholders;
- **Income** - the coupons from corporate bonds are expected to exceed income paid on cash and short dated term deposits. The fund pays dividends four times a year;
- **Potential for higher returns** than cash, term deposits and government bonds – cash and term deposits have minimal risk but offer low returns. Returns on government bonds are also low. Moving slightly up the risk spectrum investors can earn higher total returns (income and capital growth) with corporate bonds.

Yield comparison: Term deposits, Australian and Global Fixed Income



Source: Bloomberg, RBA, As at 31 October 2017. You cannot invest in an index. Past performance is not a reliable indicator of future performance.

PLUS Summary:

A diversified portfolio of Australian dollar corporate bonds

- Offering enhanced yield
- Defensive position that historically has had a low correlation to equities
- Liquidity

INVESTMENT OBJECTIVE: PLUS invests in a diversified portfolio of AUD denominated corporate, government and semi-government bonds with the aim of providing investment returns (before fees and other costs) that track the performance of the Markit iBoxx AUD Corporates Yield Plus Index.

INDEX DESCRIPTION: The index is designed to reflect the performance of the higher-yielding AUD denominated fixed rate bond market with credit ratings from AAA to BB-. Bonds are included in the index based on issue size, amount outstanding, time to maturity and type. Markit iBoxx selects the top 50% highest-yielding bonds from its universe of AUD corporate bonds using a methodology which focuses on each bond's yield relative to an Australian Commonwealth Government bond with a similar maturity. Bonds with credit rating of investment grade must make up at least 80% of the index.

ASX code	PLUS
Commencement date	11 May 2017
Management cost	0.32% p.a.
Index	Markit iBoxx AUD Corporates Yield Plus Index
Frequency of dividends	4 times each year

Contact us

For more information visit

vaneck.com.au

+612 8038 3300

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Important notice:

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