

Invest internationally. Invest in quality

There are a number of reasons to include international equities in your portfolio:

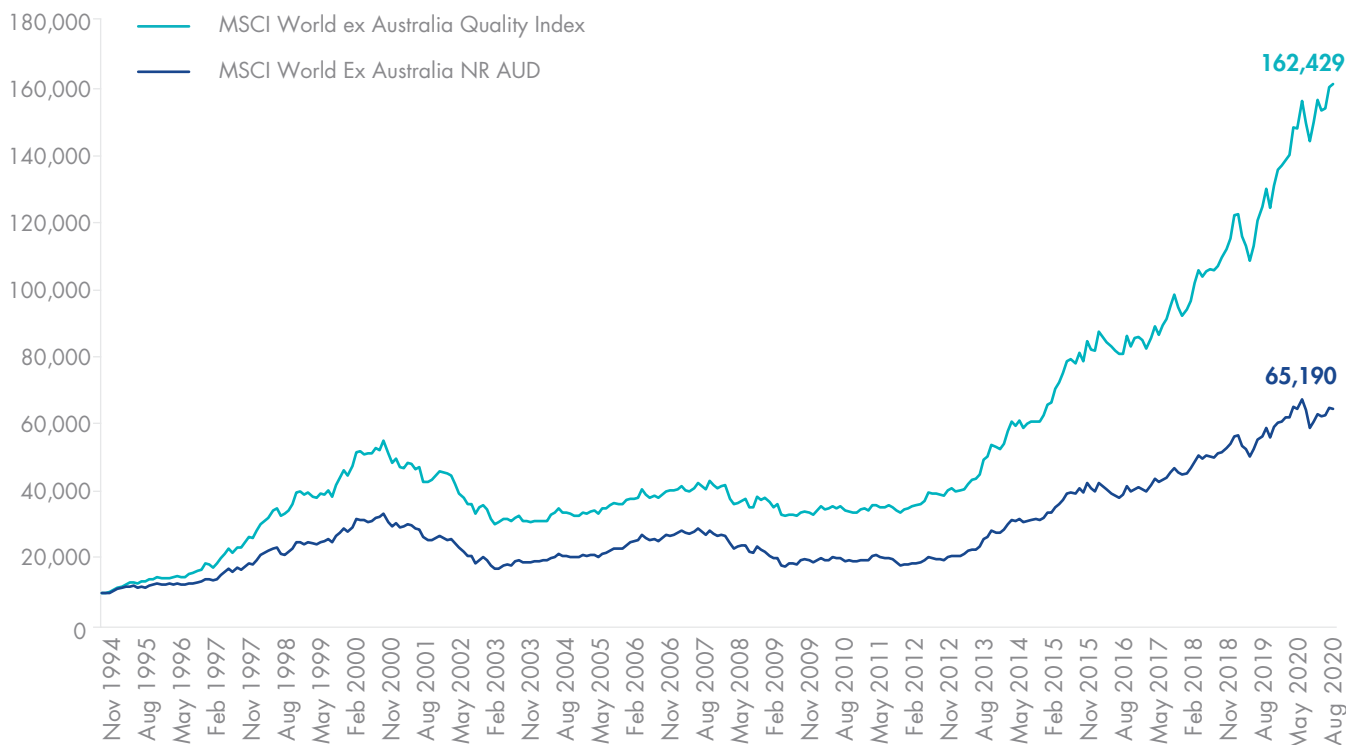
- geographic diversification – the Australian stock market only represents around 3% of global stock markets;
- better sector diversification – Australia is dominated by resources and financials with limited opportunities in technology and health care; and
- exposure to different economic cycles.

VanEck Vectors MSCI World ex Australia Quality ETF (ASX code: QUAL) is a diversified portfolio of high quality, international companies selected on the basis of three key quality fundamentals:

1. high return on equity;
2. stable year-on-year earnings growth; and
3. low financial leverage.

QUAL is an ETF (exchange traded fund) that trades on ASX and gives investors exposure to a portfolio of 300 high quality international equities in a single trade. QUAL tracks the MSCI World ex Australia Quality Index by investing directly in the companies in the QUAL Index.

Growth of 10,000: MSCI World ex Australia Quality Index vs MSCI World ex Australia Index



Source: Morningstar Direct, as at 30 September 2020 The above performance graph shows the performance of the QUAL Index vs the MSCI World ex Australia Index since common inception based to 10,000. Results are calculated to the last business day of the month and assume immediate reinvestment of all dividends and exclude costs associated with investing in QUAL. You cannot invest directly in an index. The above performance information is not a reliable indicator of current or future performance of the indices or QUAL, which may be lower or higher. QUAL Index base date is 30 November 1994. QUAL Index performance prior to its launch on June 2014 is simulated based on the current index methodology.

Index risk and return characteristics as at 30 September 2020

	Annualised Std Dev (%) ¹			Sharpe Ratio ^{1, 2}		
	3 Yr	5 Yr	10 Yr	3 Yr	5 Yr	10 Yr
MSCI World ex Australia Quality Index (\$A)	11.45	11.31	10.70	1.55	1.26	1.41
MSCI World ex Australia Index (\$A)	11.59	11.07	10.66	0.98	0.93	0.93

¹Based on monthly net returns data ²Based on BBA LIBOR 1M

Source: MSCI.

Performance and risk results in the table above are calculated to the last business day of the month and assume immediate reinvestment of all dividends and exclude costs of investing in QUAL. You can not invest directly in an index. Past performance of the QUAL Index is not a reliable indicator of future performance of QUAL.

ETF Performance as at 30 September 2020

	1 Year (%)	3 Years (%)	5 Years (%p.a)	Since Inception (%)
QUAL	16.13	18.22	14.21	16.30
MSCI World ex Australia Index	4.30	11.20	10.09	12.15
Difference	+11.83	+7.02	+4.12	+4.15

Inception date is 29 October 2014.

The tables above show past performance of QUAL and of the MSCI World ex Australia Index. Results are calculated to the last business day of the month and assume immediate reinvestment of distributions. QUAL results are net of management costs and expenses, but before brokerage fees or bid/ask spreads incurred when investors buy/sell on the ASX. Returns for periods longer than one year are annualised. Past performance is not a reliable indicator of future performance.

Top 10 Country Allocations as at 30 September 2020

Country	QUAL Index (%)	MSCI World ex Australia Index (%)
USA	72.60	67.85
Switzerland	5.96	3.23
United Kingdom	5.61	4.13
Japan	4.27	8.02
Denmark	2.16	0.79
Netherlands	2.14	1.35
France	1.93	3.31
Canada	1.19	3.15
Sweden	0.96	1.04
Germany	0.71	2.99

Index Characteristics as at 30 September 2020

Sectors	QUAL Index (%)	MSCI World ex Australia Index (%)
Financial	3.99	15.15
Energy	0.17	5.17
Utilities	0	3.62
Real Estate	0.40	3.29
Materials	1.81	4.10
Consumer Discretionary	8.64	10.66
Industrials	10.54	11.23
Communication Services	5.63	8.57
Consumer Staples	13.64	8.88
Health Care	19.24	12.49
Information Technology	35.95	16.85
Grand Total	100	100

Top 20 Holdings as at 30 September 2020

	Country	Sector	Weight (%)	Active Weight (%)
APPLE	USA	Information Technology	6.44	1.88
MICROSOFT	USA	Information Technology	4.98	1.55
VISA	USA	Information Technology	3.13	2.37
JOHNSON & JOHNSON	USA	Health Care	2.84	1.96
MASTERCARD	USA	Information Technology	2.53	1.84
NESTLE	SWITZERLAND	Consumer Staples	2.51	1.71
ROCHE HOLDINGS	SWITZERLAND	Health Care	2.41	1.87
ALPHABET C	USA	Communication Services	2.35	1.35
ALPHABET A	USA	Communication Services	2.29	1.30
PROCTER & GAMBLE	USA	Consumer Staples	2.27	1.49
NVIDIA	USA	Information Technology	2.12	1.36
UNITED HEALTH	USA	Health Care	1.99	1.32
ADOBE	USA	Information Technology	1.81	1.28
MERCK & CO	USA	Health Care	1.73	1.25
INTEL CORP	USA	Information Technology	1.64	1.15
NIKE	USA	Consumer Discretionary	1.56	1.21
PFIZER	USA	Health Care	1.53	1.06
COCA COLA	USA	Consumer Staples	1.43	0.98
PEPSICO	USA	Consumer Staples	1.33	0.89
CISCO SYSTEMS	USA	Information Technology	1.30	0.92

* Active weight is relative to MSCI World ex Australia Index

Source: MSCI

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Key risks:

An investment in the Fund carries risks associated with financial markets generally, individual company management, industry sectors, foreign currency, country or sector concentration, political, regulatory and tax risks, fund operations and tracking an index. See the PDS for details.

Important notice:

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