

## VanEck Bentham Global Capital Securities Active ETF (Managed Fund)

ASX Code: GCAP

### Investment objective

GCAP aims to provide investors with a professionally managed active strategy in global Capital Securities. The fund aims to provide total investment returns, measured over the long term in excess of the Benchmark.

### Benchmark

Benchmark is RBA Cash Rate + 3% p.a.

### Performance as at 31 May 2022

	1 month	3 months	6 months	1 year	3 years (p.a.)	5 years (p.a.)	10 years (p.a.)	Since GCAP inception (p.a.)
Price Return	-1.06%	-2.22%	-5.05%	-	-	-	-	-7.67%
Income Return	0.32%	0.84%	1.55%	-	-	-	-	2.46%
<b>Total Return</b>	<b>-0.74%</b>	<b>-1.38%</b>	<b>-3.50%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-5.21%</b>
Benchmark	0.28%	0.79%	1.55%	3.12%	3.35%	3.81%	4.57%	2.57%
<b>Value Add</b>	<b>-1.02%</b>	<b>-2.17%</b>	<b>-5.05%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-7.78%</b>

Benchmark is RBA Cash Rate + 3% p.a.

The table above shows past performance of the Fund from 3 August 2021. Results are calculated to the last business day of the month and assume immediate reinvestment of distributions. Fund results are net of management fees and costs, 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 current or future performance which may be lower or higher.

Benchmark information has been obtained from sources believed to be reliable but VanEck do not warrant its completeness or accuracy.

### Key benefits

Global income opportunity: Capital securities offers an opportunity for investors to diversify their income away from Australian exposures by harnessing a deep and sizeable global universe including AT1 and Contingent Convertibles (CoCos) bonds.

Actively managed by leading global credit specialists: Professionally managed by Bentham Asset Management, a leading and award-winning global credit specialist with a deep track record and strong pedigree of investing.

Fundamental high conviction exposure: A high conviction portfolio selected on the basis of top-down and fundamental credit analysis.

### Key risks

An investment in the Fund carries risks associated with: subordination in the capital structure, derivatives, bond markets generally, interest rate movements, currency hedging, below Investment Grade securities, country and issuer concentration, liquidity, and issuer default. See the PDS for details.

### Fundamentals<sup>1</sup>

Number of constituents	60
Number of issuers	36
Modified Duration (yrs)	0.3
Weight of top 10 issuers (%)	45.1
Credit Rating Profile	BB+
Credit Spread Duration (yrs)	3.8
Credit Spread (%)	4.7
Running Yield (%)	5.9
Yield to Worst (%)	6.9
Yield to Call (%)	7.8
Top Holding Weight (%)	3.8
Investment Grade (%)	49.8

1. As at 31 May 2022

## Monthly Dividends History (CPU)

Financial Year	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
2022	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	3.0	-	25.5

Source: VanEck. Past dividends are no indicators of future dividends. CPU is Cents per Unit. Since GCAP inception, 3rd August 2021.

## Market and Portfolio commentary

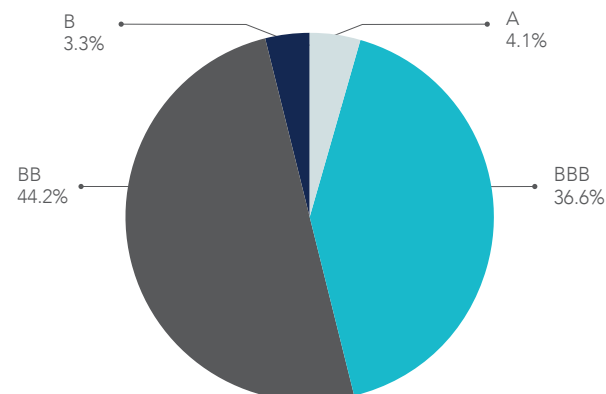
The VanEck Bentham Global Capital Securities Active ETF (Managed Fund) (GCAP) fell 0.74% during the month of May 2022 underperforming its benchmark, RBA cash rate + 3.0%.

The global bank capital securities market experienced negative returns in May. The weakness in bank capital securities occurred despite bank equity indices having a positive month (USA +6.9%, EU +6.3%). We see the weakness being caused by both the increased supply of new issues and weaker credit market technical factors rather than fundamental risk issues. Locally, the ASX hybrids market was down 1.2%, a larger fall than its global counterparts, as the sector begins to re-price. Like global capital securities, this weakness follows a new supply of issues, but ASX hybrids are also being hampered by low yields relative to global markets.

The yield for global capital securities has improved with increases in both interest rates and credit spreads. As at the end of May GCAP's Yield to Worst was 6.90% (compared with 3.54% as at 31-Dec-21). Over the month, GCAP's average credit quality remained unchanged, credit duration was 3.8 years and interest rate duration was 0.3 years.

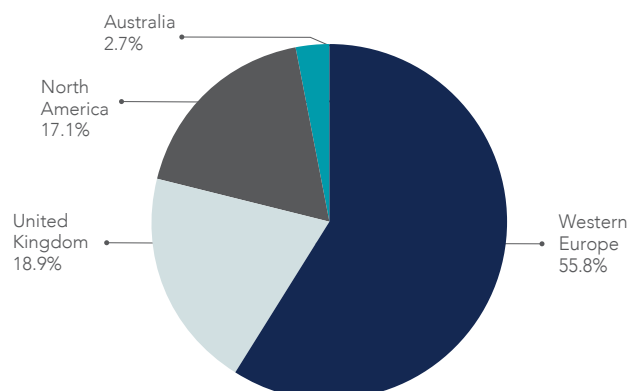
The Fund holds 60 securities across 36 issuers. The Fund's top exposures include Citigroup, Commerzbank AG, Rabobank, Credit Suisse Group and JP Morgan.

## Credit Summary



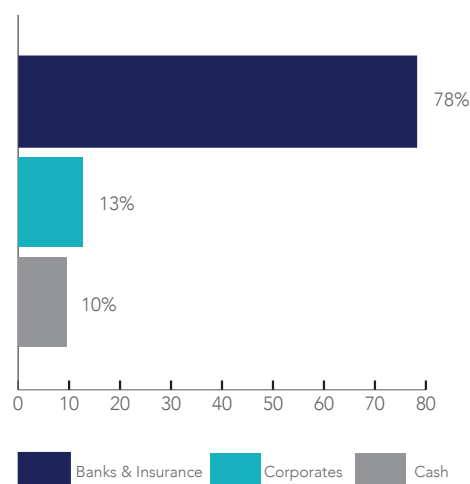
Source: VanEck, as at 31 May 2022.

## Regional Allocation



Source: VanEck, as at 31 May 2022.




## Portfolio Allocation



Source: VanEck, as at 31 May 2022.

## Contact us

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### Important notice:

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