

A diversified portfolio of Australian corporate bonds offering a yield premium

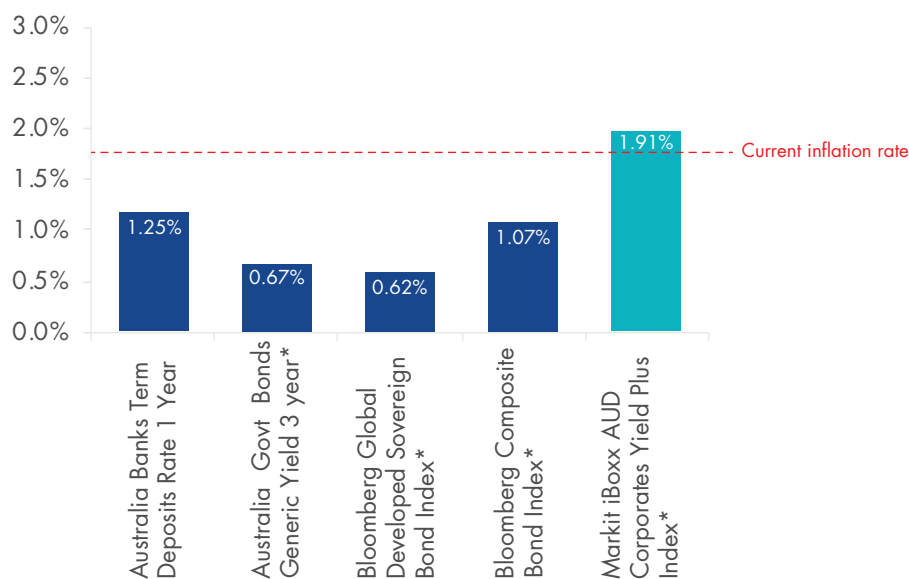
VanEck Vectors Australian Corporate Bond Plus ETF (ASX: PLUS) invests in a diversified portfolio of bonds consisting predominantly of the highest yielding investment grade corporate bonds issued in Australia with the aim of tracking the Markit iBoxx AUD Corporates Yield Plus Index.

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 fund pays dividends four times a year;
- **Potential for higher returns** than government bonds. Returns on government bonds are 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 Income¹



¹Please note the yields shown do not consider the differing risk profiles for each asset class. Income received will be different from the yield represented.

Source: Bloomberg, RBA, As at 31 January 2020. *Yield to Maturity (YTM) is the estimated annual rate of return that would be received if the fund's current securities were all held to their maturity and all coupons and principal were made as contracted. YTM does not account for fees or taxes. YTM is not a forecast, and is not a guarantee of, the future return of the fund which will vary from time to time. 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

Key Risks: An investment in the Fund carries risks associated with: bond markets generally, interest rate movements, issuer default, credit ratings, fund operations, liquidity and tracking an index. See the PDS for detail.

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

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Important notice:

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