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EMKT

VanEck MSCI Multifactor Emerging Markets Equity ETF (ASX: EMKT)

Q1 2025 Update

Fund summary

VanEck MSCI Multifactor Emerging Markets Equity ETF (EMKT) invests in a diversified portfolio of emerging markets listed securities with the aim of providing investment returns, before fees and other costs, which track the performance of the Index.

EMKT tracks the MSCI Emerging Markets Multi-Factor Select Index. The index is based on MSCI Emerging Markets Index, its parent index, which includes large and mid-cap stocks across emerging markets countries. The Index aims to maximise exposure to four factors - Value, Momentum, Low Size and Quality while maintaining a risk profile similar to that of the parent index.

Quarterly summary

- EMKT returned -0.65% for the quarter ended 31 March 2025, underperforming the MSCI Emerging Markets Index by 2.92%.
- From an exposure point of view the fund benefitted from its Hong Kong (+2.40%) and South Korea (+1.40%) holdings during the quarter
- From a sector perspective Consumer Discretionary (+1.17%) was the largest contributor

Quarter end performance as at 31 March 2025

	1 month	3 months	6 months	1 year	3 years (p.a.)	5 years (p.a.)	Since EMKT inception (p.a.)
Price Return (%)	0.63	-0.65	7.25	10.11	8.30	8.08	3.80
Income Return (%)	0.00	0.00	0.00	2.92	4.47	3.61	2.78
Total Return (%)	0.63	-0.65	7.25	13.03	12.77	11.69	6.58
MSCI Emerging Markets Index (%)	0.42	2.27	5.41	13.47	7.95	7.56	4.77

Source: VanEck.

The table above shows past performance of EMKT from 10 April 2018. Effective 1 June 2022 EMKT's reference index changed from the MSCI Emerging Markets Multi-Factor Select Index ("old index") to the MSCI Emerging Markets Multi-Factor Select Index ("new index") without any change to the index methodology. Accordingly, a reference to 'index' in this performance history is a reference to the old index from the inception date to 31 May 2022 and to the new index on and from 1 June 2022. Index performance shown prior to 17 February 2015 is simulated based on the current index methodology. Results are calculated to the last business day of the month and assume immediate reinvestment of distributions. ETF results are net of management fees and costs incurred in the fund, but before brokerage fees or bid/ask spreads incurred when investors buy/sell on 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.

The MSCI Emerging Markets Index ("MSCI EMI") is shown for comparison purposes as it is the widely recognised benchmark used to measure the performance of emerging markets large- and mid-cap companies, weighted by market capitalisation. EMKT's index measures the performance of emerging markets companies selected on the basis of their exposure to value, momentum, low size and quality factors, while maintaining a total risk profile similar to that of the MSCI EMI, at rebalance. EMKT's index has fewer companies and different country and industry allocations than MSCI EMI.

Key benefits

Exposure to the world's fastest developing markets: Emerging markets offer investors access to developing nations including China, South Korea and India.

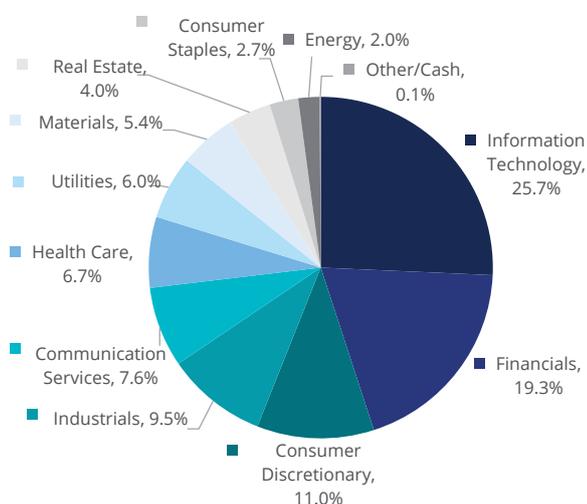
An optimal approach to emerging markets: A portfolio that provides access to economies experiencing rapid change by investing in companies included on the basis of Value, Low Size, Momentum and Quality factors.

Outperformance potential: Taking a diversified approach across factors has been proven to produce outperformance over the long-term compared to a benchmark market capitalisation approach.

Key risks

An investment in the ETF carries risks associated with: ASX trading time differences, emerging markets, financial markets generally, individual company management, industry sectors, foreign currency, country or sector concentration, political, regulatory and tax risks, fund operations, liquidity and tracking an index. See the [PDS](#) for details.

Sector breakdown



Source: VanEck, as at 31 March 2025.

Fundamentals

Constituents (#)	218
Return on equity (%)	19.23
Price/Earnings (x)	9.94
Dividend yield (%)	4.05
Price/Book (x)	1.42
Price/Sales (x)	0.84

Source: VanEck, as at 31 March 2025.

VanEck MSCI Multifactor Emerging Markets Equity ETF

Top performers	Active position (%)	Contribution to return (%)	Sector	Commentary
Hanwha Aerospace Co	1.33	0.72	Industrials	Hanwha Aerospace's share price rose during the first quarter of 2025, buoyed by reporting its fourth-quarter 2024 results, showcasing a 10-fold increase in net profit compared to the same period the previous year. This surge was primarily attributed to brisk shipments of defence products, including K9 howitzers and Cheomu multiple-rocket launchers. The company's revenue also saw a substantial increase, jumping 56% YoY to 4.831 trillion won.
Pop Mart International Group	0.85	0.51	Consumer Discretionary	Pop Mart International Group's share price experienced a significant increase during the quarter driven by exceptional financial performance for the calendar year 2024, that was released on 26 March 2025. Revenue had increased to RMB 13.04 billion, a 106.9% increase from RMB 6.30 billion in 2023 and net profit had increased to RMB 3.31 billion, up 203.9% from RMB 1.09 billion in the previous year.
Taiwan Semiconductor Manufacturing Co	2.18	+2.18	Information Technology	HCL Technologies' share price hit a 52-week high during the quarter after the company reported better than expected earnings for the second quarter of FY25. The company reported a net profit of INR4,235 crore in Q2FY25, a marginal drop of 0.5% from INR4,257 crore in the previous quarter. The company's revenue rose 2.9% to INR28,862 crore from INR 28,057 crore, quarter-on-quarter (QoQ). EBIT increased 11.8% to INR5,362 crore from INR4,795 crore, while EBITDA margin expanded by 150 bps to 18.6% from 17.1%, QoQ.
Bottom performers	Active position (%)	Contribution to return (%)	Sector	Commentary
Alibaba Group Holding	-2.38	-0.94	Consumer Discretionary	Alibaba Group's share price was up during the quarter as the company announced plans to invest over \$50 billion in AI and cloud computing over the next three years. This significant commitment aimed to enhance the company's technological infrastructure and AI capabilities, positioning it competitively in the rapidly evolving tech landscape. EMKT's underweight position in the company was a detractor for the quarter.
HCL Technologies Limited	1.79	-0.38	Information Technology	After reaching a 52-week high share price on 13 January 2025, HCL Technologies' share price declined after reporting financial results which showed revenue of INR28,057 crore, a 1.6% decline quarter-over-quarter (QoQ) and earnings before interest and taxes (EBIT) of INR4,795 crore, a 4.6% decline QoQ.
Xiaomi Corp	-1.15	-0.34	Information Technology	Xiaomi Corp's share price was up strong for the off the back of reporting its financial results for the year ending December 31, 2024. The company achieved record-breaking annual earnings, with a significant increase in net income compared to the previous year. EMKT's underweight position in Xiaomi Corp was a detractor for the quarter.

Outlook

- Emerging markets rebounded in the first quarter of 2025, supported by a weaker US dollar, accommodative EM central bank policies, and a DeepSeek-sparked rally in China's tech sector.
- However, aggressive U.S. retaliatory tariffs have created significant headwinds for export-driven EM economies, with India (26%), Vietnam (46%), Taiwan (32%) and China (34%) facing highest levies. China could demonstrate resilience given its economic autonomy and diversified trade network, providing support for broader EM growth outlook.
- With China, Japan and Korea already in talks to rebuild free-trade networks, we see a trend toward tighter regional trade partnerships, which could provide some relief from US pressures. Additionally, some EM countries may benefit from global supply chain restructuring.
- Valuations are compelling. EM equities trade at a 37% discount on P/E and a 49% discount on P/B relative to developed markets, with EMKT offering even lower valuation multiples.

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