

The VanEck logo is displayed in a large, white, serif font. The 'V' and 'E' are particularly prominent, with the 'E' having a registered trademark symbol (®) to its upper right. The background of the entire slide is a composite image of the Earth from space, showing the curvature of the planet and the glowing blue atmosphere. The left side of the image is dark, while the right side shows the illuminated continents of North and South America, with city lights visible as bright yellow and white specks.

Access the opportunities.

MOAT

# VanEck Morningstar Wide Moat ETF (ASX: MOAT)

Q1 2025 Update

## Fund summary

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VanEck Morningstar Wide Moat ETF (MOAT) gives investors exposure to a diversified portfolio of attractively priced US companies with sustainable competitive advantages according to Morningstar's equity research team. MOAT aims to provide investment returns before fees and other costs which track the performance of the Index.

MOAT tracks the Morningstar® Wide Moat Focus NR AUD Index™. The index is a rules-based, equal-weighted index intended to offer exposure to attractively priced companies with sustainable competitive advantages according to Morningstar's equity research team.

## Quarterly summary

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- MOAT returned -5.77 % for the quarter ended 31 March 2025, underperforming the S&P500.
- MOAT benefitted from its underweight exposure to Consumer Discretionary and Information Technology as they contributed 0.64% and 0.75% to relative performance. The fund's underweight exposure to Financials was the large detractor to relative performance.
- The Index added some growth exposure as valuations have appeared more attractive but remains notably underweight compared to the S&P 500 Index in the recent rebalance. Value and core exposure remain the overweight styles relative to the S&P 500 Index.

## 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 MOAT inception (p.a.)
Price Return (%)	-4.50	-5.77	2.21	-4.64	7.87	11.73	12.15
Income Return (%)	0.00	0.00	0.00	8.18	5.61	3.95	2.86
<b>Total Return (%)</b>	<b>-4.50</b>	<b>-5.77</b>	<b>2.21</b>	<b>3.54</b>	<b>13.48</b>	<b>15.68</b>	<b>15.01</b>
S&P 500 Index (%)	-5.87	-4.98	8.92	12.88	15.53	17.62	14.35

Source: VanEck.

The table above shows past performance of the ETF from 26 June 2015. Index performance shown prior to its launch date 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, 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.

The S&P 500 is shown for comparison purposes as it is the widely recognised benchmark used to measure the performance of the broad US equities market. It includes the 500 largest US listed companies, weighted by market capitalisation. MOAT's index measures the performance of 40 to 80 US companies with a Morningstar Economic Moat Rating™ of "Wide". MOAT's index has fewer securities and different industry allocations than the S&P 500.

## Key benefits

**High conviction Wide Moat US equity strategy:** A focus on quality U.S. companies Morningstar believes possess sustainable competitive advantages, or "wide economic moats™".

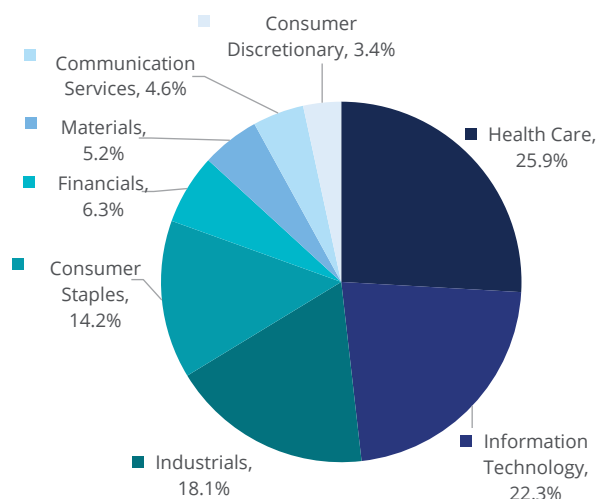
**Attractive Valuations:** Targets companies trading at attractive prices relative to Morningstar's estimate of fair value.

**Morningstar's Core Equity Research:** Fuelled by Morningstar's rigorous equity research process.

## Key risks

An investment in the ETF carries risks associated with: ASX trading time differences, 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 (#)	52
Return on equity (%)	21.38
Price/Earnings (x)	24.82
Dividend yield (%)	1.81
Price/Book (x)	3.65
Price/Sales (x)	2.78

Source: VanEck, as at 31 March 2025.

## VanEck Morningstar Wide Moat ETF: Top and bottom performers

Top performers	Active weight (%)	Contribution to relative performance (%)	Sector	Commentary
NVIDIA Corporation	-6.27	0.96	Information Technology	Shares in NVIDIA fell almost 20% for the quarter, and not holding the chip maker in MOAT was the largest contributor to relative performance due to its large weighting in the S&P 500. The decline was driven largely by broad market consensus and uncertainty around tariffs and global escalating trade tensions. Due to its reliance on global supply chains, investors have been cautious of the impact of tariffs on the semiconductor industry. NVIDIA was not held by MOAT due to its valuation premium.
Tesla Inc	-1.89	0.70	Consumer Discretionary	The first quarter of 2025 saw Tesla stock fall over 35% after the EV maker reported significant reductions in sales across Europe and China. The company also experienced a large reduction in the number of cars produced relative to the previous year. The announcement of new tariffs by the U.S. Government has also raised concerns from investors on the impacts this may have to Tesla's supply chain.
Apple Inc	-7.03	0.55	Information Technology	Not holding shares in Apple was also a large contributor to MOAT's relative performance for the quarter as investors sold off shares due to uncertainty around the implications tariffs would have on the company's supply chains.
Bottom performers	Active weight (%)	Contribution to relative performance (%)	Sector	Commentary
Teradyne, Inc.	2.28	-0.77	Information Technology	Semiconductor testing company, Teradyne, experienced a 30% decline in its share price for the quarter. While reporting strong fourth quarter results, the company issued a cautious outlook and a decline in earnings guidance. The company highlighted volatility in the semiconductor testing segment of its business which raised concerns over future revenue stability. Broader market concerns around tariffs and trade restrictions have also impacted the share price.
Bio-Rad Laboratories, Inc. Class A	2.27	-0.52	Health Care	Shares in Bio-Rad fell 25% for the quarter. This was triggered by the company announcement in February of significant layoffs of over 350 employees following a reported \$1.8 billion net loss for the previous year.
West Pharmaceutical Services, Inc.	1.21	-0.36	Health Care	West Pharmaceutical fell 30% as the healthcare company reported revenue expectations that fell short of analyst expectations. The company stated that expected currency fluctuations, increased operating costs and changes to customer contracts were the contributing factors to the downgrade in guidance.

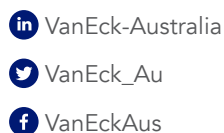
Source: VanEck, as at 31 March 2025.

## Outlook

- There are evident global risks heading into the next quarter. US Manufacturing activity may stall as companies look to reposition supply chains to navigate tariffs. This could result in an economic slowdown or contraction, which may favour companies that have a wide economic MOAT.
- MOAT continues to maintain its value and defensive positioning. Value stocks remain the most attractively priced, with MOAT notably 17.5% overweight to value when compared to the S&P 500 Index. On a historical basis value stocks remain undervalued when compared to growth stocks, which could provide a margin of safety in volatile markets.
- The market pullback reinforces the importance of avoiding expensive stocks particularly across the technology space. MOAT is 7.5% underweight to technology compared to the S&P500. Notably MOAT's exposure to the Magnificent 7 is only 4.8%.

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