

VanEck®

Access the opportunities.

VanEck Small Companies Masters ETF

(ASX: MVS)

Q1 2025 Update

MVS



Fund summary

MVS is an Australian small caps ETF, giving investors exposure to a diversified portfolio of ASX-listed small companies. This Australian small companies ETF aims to provide investment returns, before fees and other costs, that track the performance of the Index.

MVS tracks the MarketGrader Australia Small Cap 60 Index (MGAUSCTR). The Reference Index consists of 60 small-cap ASX-listed companies domiciled in Australia or New Zealand with strong growth characteristics and sound fundamental indicators of quality, without overpaying. Small-cap refers to MarketGrader's Australia Small Cap Universe which is ASX-listed companies ranked 101st to 300th by free float market capitalisation as determined by MarketGrader.

Quarterly summary

- MVS returned -2.66% for the quarter ended 31 March 2025, underperforming the S&P/ASX Small Ordinaries Index by 0.66%.
- From a sector perspective, MVS's slightly overweight position to financials was the largest detractor contributing -1.06% to relative performance. The Materials and Energy sectors however were large contributors.

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 MVS inception (p.a.)
Price Return (%)	-3.94	-2.66	-8.95	-7.90	-4.82	5.58	0.89
Income Return (%)	0.00	0.00	1.57	3.32	4.06	4.19	3.69
Total Return (%)	-3.94	-2.66	-7.38	-4.58	-0.76	9.77	4.58
S&P/ASX Small Ordinaries Index (%)	-3.60	-2.00	-2.99	-1.26	-0.82	10.24	5.94

Source: VanEck.

The tables above shows past performance of MVS from 26 May 2015. Effective 23 September 2024 MVS' reference index changed from MVIS Australia Small-Cap Dividend Payers Index ('old index') to MarketGrader Australia Small Cap 60 Index ('new index') with a change to the investment objective. Index* includes the old index performance from 26 May 2015 and the new index performance from 23 September 2024 onwards. Results are calculated to the last business day of the month and assume immediate reinvestment of dividends. 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. Index performance excludes cost of investing in the ETF. 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/ASX Small Ordinaries Index ("Small Ords") is shown for comparison purposes as it is the widely recognised benchmark used to measure the performance of the 200 ASX-listed companies included in the S&P/ASX 300 but not in the S&P/ASX 100, weighted by market capitalisation. MVS's index measures the performance of a portfolio of dividend paying small-cap companies, with a maximum weighting of 8%. It has fewer securities and different industry allocations than the Small Ords. [Click here for more details.](#)

Key benefits

Growth potential for strong returns: Small companies provide emerging opportunities that incur higher risk but offer potentially higher growth.

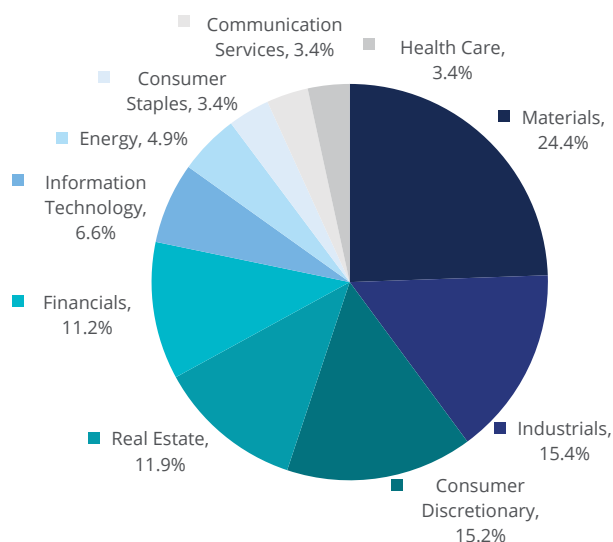
Systematic approach to small companies investing: Captures emerging companies opportunities by focusing on those with GARP (growth at a reasonable price) attributes.

Diversified exposure: A portfolio that includes a wide range of emerging companies and sectors including healthcare, industrials, resources, technology, energy and more - all with one trade on ASX.

Key risks

An investment in the ETF carries risks associated with: financial markets generally, individual company management, industry sectors, stock and sector concentration, fund operations and tracking an index. See the VanEck Small Companies Masters ETF [PDS](#) for more details.

Sector breakdown



Source: VanEck, as at 31 March 2025.

Fundamentals

Constituents (#)	60
Return on equity (%)	15.49
Price/Earnings (x)	15.13
Dividend yield (%)	3.98
Price/Book (x)	1.62
Price/Sales (x)	1.37

Source: VanEck, as at 31 March 2025.

VanEck Small Companies Masters ETF: Top and bottom performers

Top performers	Active weight (%)	Contribution to relative performance (%)	Sector	Commentary
Domain Holdings Australia Ltd.	1.66	0.93	Communication Services	Shares in Domain Holdings soared nearly 70% during the quarter, primarily driven by a takeover bid from U.S. real estate data provider CoStar Group. The initial bid represented a significant premium to the share price and has been supported by both the board and its major shareholder.
West African Resources Ltd	1.17	0.57	Materials	Gold miner West African Resources soared over 60% for the quarter as the global gold market continued its bullish run, benefitting miners. The price of gold surged to record highs surpassing US \$3,000 per ounce driven by escalating geopolitical tensions and increased investor demand for safe-haven assets. The company also reported a first half year profit increase of 95% which was largely driven by the increase in the gold price.
Megaport Ltd.	1.43	0.44	Information Technology	Megaport is a global network servicing company enabling businesses to connect to global networks such as cloud services. The company's shares rose by around 30% during Q1, largely driven by their earnings announcement in February. The strong financial performance came from improved margins and cost control which allowed the company to achieve a positive net cash flow.
Bottom performers	Active weight (%)	Contribution to relative performance (%)	Sector	Commentary
Nuix Ltd.	0.94	-0.69	Information Technology	Nuix fell nearly 50% for the quarter as the company announced an expected drop in earnings. Factors that contributed to the earnings downgrade were hefty legal expenses, costs associated with improving efficiency and research and development costs. Nuix was also impacted by the broader global tech sell-off.
Johns Lyng Group Ltd	1.29	-0.61	Industrials	Johns Lyng Group's share price suffered during the quarter as the company downgraded earnings guidance. The company also reported a revenue decrease driven by lower margins and delays to projects in both Australia and the U.S.
Cettire Ltd.	1.05	-0.59	Consumer Discretionary	Shares in online luxury fashion retailer, Cettire, fell around 40% as the broader global luxury goods sector experienced a contraction in demand for the first time in 15 years. Cettire increased promotions in order to retain market share which saw an erosion in the company's profit margins by 18%.

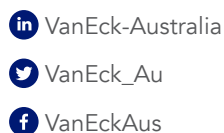
Source: VanEck, as at 31 March 2025.

Outlook

- The moderation in inflation experienced in 2024 has continued through to 2025, prompting the Reserve Bank of Australia (RBA) to deliver its first rate cut in more than four years. Although underlying inflation is moderating, the outlook remains uncertain. The RBA continues to contend with strong employment, elevated services inflation and a weak Australian dollar. Further, an escalating global trade war may put upward pressure on input costs, thus limiting the pace of disinflation.
- Market pullback reinforces the importance of avoiding expensive stocks particularly across small caps as they typically underperform. MVS selects companies with Growth at a reasonable price (GARP) attributes.
- However, should market sentiment turn more positive, small caps may outperform large caps.
- Australian small caps also offer higher 12-month price target sell-side consensus returns compared to large caps.

Contact us

vaneck.com.au
info@vaneck.com.au
+61 2 8038 3300



Important notice:

VanEck Investments Limited (ACN 146 596 116 AFSL 416755) (**VanEck**) is the issuer and responsible entity of all VanEck exchange traded funds (**Funds**) listed on the ASX. This is general advice only and does not take into account any person's financial objectives, situation or needs. The product disclosure statement (**PDS**) and the target market determination (**TMD**) for all Funds are available at vaneck.com.au. You should consider whether or not an investment in any Fund is appropriate for you. Investments in a Fund involve risks associated with financial markets. These risks vary depending on a Fund's investment objective. Refer to the applicable PDS and TMD for more details on risks. Investment returns and capital are not guaranteed.

VanEck Small Companies Masters ETF ('MVS') is not sponsored, endorsed, distributed, sold or promoted by MarketGrader.com Corp ('MarketGrader'). MarketGrader's only relationship to VanEck is the licensing of the MarketGrader Australia Small Cap 60 Index ('Index') which is determined, composed and calculated by MarketGrader and Refinitiv without regard to VanEck or MVS. MarketGrader and Refinitiv have no obligation to take the needs of VanEck or investors in MVS into consideration in determining, composing or calculating the Index.

© 2024 Van Eck Associates Corporation. All rights reserved.