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VanEck Australian Equal Weight ETF

(ASX: MVW)

Q1 2025 Update

Fund summary

VanEck Australian Equal Weight ETF (MVW) gives investors exposure to a diversified portfolio of ASX-listed securities. MVW aims to provide investment returns before fees and other costs which track the performance of the Index.

MVW tracks the MVIS Australia Equal Weight Index. The index is a pure-play rules-based index that combines benchmark with blue-chip characteristics by tracking the performance of the largest and most liquid ASX-listed companies across all sectors, including offshore companies which generate at least 50% of their revenues or assets from the Australian market. Companies in the Index are weighted equally.

Quarterly summary

- MVW returned -1.43% for the quarter ended 31 March 2025, outperforming the S&P/ASX 200 Index by 1.37%.
- From a sector perspective, MVW's overweight position to real estate was the largest contributor, contributing 0.63% to relative performance. The fund's underweight position in financials was also a large contributor as we saw downward pressure on bank share prices.

Quarter end performance as at 31 March 2025

	1 month	3 months	6 months	1 year	3 years (p.a.)	5 years (p.a.)	10 years (p.a.)	Since MVW inception (p.a.)
Price Return (%)	-2.68	-1.43	-4.14	-2.23	1.78	10.14	4.72	5.54
Income Return (%)	0.00	0.00	1.69	4.39	4.11	3.96	3.47	3.32
Total Return (%)	**-2.68**	**-1.43**	**-2.45**	**2.16**	**5.89**	**14.10**	**8.19**	**8.86**
S&P/ASX 200 Index (%)	-3.39	-2.80	-3.57	2.84	5.62	13.24	7.15	7.72

Source: VanEck.
The table above shows past performance of the ETF from 4 March 2014. Index performance shown prior to 29 November 2013 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/ASX 200 Index is shown for comparison purposes as it is the widely recognised benchmark used to measure the performance of the broad Australian equities market. It includes the 200 largest ASX-listed companies, weighted by market capitalisation. MVW's index measures the performance of the largest and most liquid ASX-listed companies, weighted equally at rebalance. MVW's index has fewer companies and different industry allocations than the S&P/ASX 200.

Key benefits

Core Australian equity strategy: An award winning Australian equity strategy backed by significant research investing in the largest and most liquid Australian listed companies.

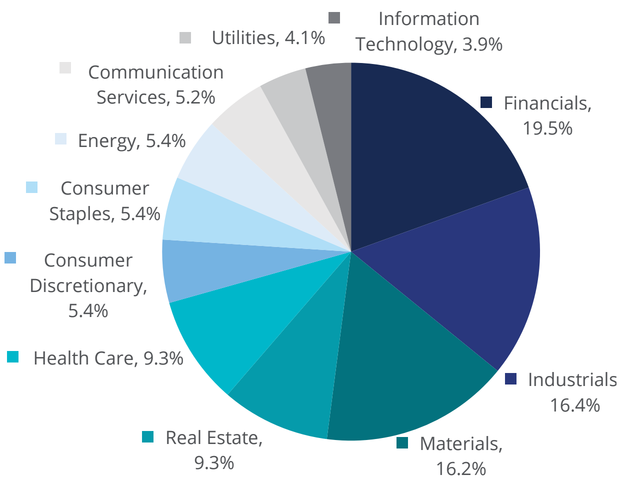
Diversification across companies and sectors: A portfolio which offers true diversification by equally weighting across companies and reducing sector concentration.

Outperformance potential: Equally weighting has been proven to produce long-term outperformance compared to a market capitalisation approach.

Key risks

An investment in the ETF carries risks associated with: financial markets generally, individual company management, industry sectors, fund operations and tracking an index. See the PDS for details.

Sector breakdown



Source: VanEck, as at 31 March 2025.

Fundamentals

Constituents (#)	74
Return on equity (%)	11.10
Price/Earnings (x)	21.84
Dividend yield (%)	3.45
Price/Book (x)	1.91
Price/Sales (x)	1.54

Source: VanEck, as at 31 March 2025.

VanEck Australian Equal Weight ETF: Top and bottom performers

Top performers	Active weight (%)	Contribution to relative performance (%)	Sector	Commentary
Evolution Mining Limited	1.08	0.45	Materials	Gold miner Evolution Mining soared nearly 50% 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 144% which was largely driven by the increase in the gold price.
CSL Limited	-3.93	0.34	Health Care	Shares in CSL fell 10% during the quarter and MVW benefitted from this due to its underweight position relative to the S&P/ASX 200 Index. The reason for the decline was due to the company reporting earnings that missed market expectations. Underperformance was partly driven by the Seqirus vaccine division which experienced a 9% decline in sales.
Goodman Group	-1.46	0.26	Real Estate	Goodman Group shares fell by 20% during the quarter as market sentiment in the AI and data centre sectors deteriorated. The real estate developer also announced a significant capital raising in February at a 6.9% discount to the share price which also contributed to the decline.

Bottom performers	Active weight (%)	Contribution to relative performance (%)	Sector	Commentary
Mineral Resources Limited	0.96	-0.30	Materials	Shares in Mineral Resources experienced a 30% decline for the quarter as profits were adversely impacting by declining iron ore and lithium prices. The company reported a net loss of $800 million for the half year ending 31 December 2024.
Reece Limited	0.99	-0.28	Industrials	Plumbing supplier, Reece, suffered a 30% decline in its share price for the quarter after reporting a 19% drop in net profit. Softness in the construction industry in Australia and US were the causes of reduced demand for the company's products.
Pilbara Minerals	1.05	-0.25	Materials	Pilbara Minerals fell 23% for the quarter due to declining lithium prices as the global lithium market continues its downturn. The company reported a 69% decrease in revenue for first half FY2025 and has announced operational adjustments to reduce production in line with market demand.

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.
- Australian banks are currently trading at near-record valuation multiples, making them the most expensive banks in the world. Due to these inflated valuations, any earnings downside from: falling net interest margins (NIMs) due to cost headwinds, persistent upward pressure on investment spending, increased competition, slowing / stalled credit growth, or a resources rally causing a rotation away from banks could lead to significant price revisions.
- Additionally, Australian mid-caps offer higher 12-month price target sell-side consensus returns compared to large caps.
- These dynamics are potentially favourable for MVW, as it is underweight banks and overweight mid-caps relative to the S&P/ASX 200.

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