



Access the opportunities.

A large, high-resolution image of the Earth from space, showing the Western Hemisphere with North and South America visible. The image is positioned on the right side of the header, partially overlapping the VanEck logo and the QUAL box.

QUAL

VanEck MSCI International Quality ETF

(ASX: QUAL)

Q1 2025 Update

Fund summary

VanEck MSCI International Quality ETF (QUAL) gives investors exposure to a diversified portfolio of quality international companies listed on exchanges in developed markets around the world (ex Australia). QUAL aims to provide investment returns before fees and other costs which track the performance of the Index.

QUAL tracks the MSCI World ex Australia Quality Index. The index is intended to capture the performance of quality stocks selected from the Parent Index, MSCI World ex Australia, by identifying companies with high quality scores based on three key fundamental factors: high return on equity; stable year-on-year earnings growth; and low financial leverage.

Quarterly summary

- QUAL returned -3.44% for the quarter ended 31 March 2025, underperforming the MSCI World ex Australia Index.
- The fund's underweight exposure to Energy (-0.42%) and Financials (-0.56%) were the largest detractors to relative performance from a sector perspective as value stocks fared strongly.

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 QUAL inception (p.a.)
Price Return (%)	-5.79	-3.44	4.78	2.85	13.14	13.85	11.94	13.60
Income Return (%)	0.00	0.00	0.00	5.04	2.69	2.10	2.23	2.17
Total Return (%)	-5.79	-3.44	4.78	7.89	15.83	15.95	14.17	15.77
MSCI World ex Australia Index (%)	-4.67	-2.41	9.42	12.28	14.65	15.75	11.86	13.46

Source: VanEck.

The table above shows past performance of the ETF from 29 October 2014. 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 MSCI World ex Australia Index ("MSCI World ex Aus") is shown for comparison purposes as it is the widely recognised benchmark used to measure the performance of developed market large- and mid-cap companies, weighted by market capitalisation. QUAL's index measures the performance of 300 companies selected from MSCI World ex Aus based on MSCI quality scores, weighted by market cap x quality score at rebalance. Consequently QUAL's index has fewer companies and different country and industry allocations than MSCI World ex Aus.

Key benefits

The world's highest quality companies: Access the world's highest quality companies based on key fundamentals including (i) high return on equity, (ii) earnings stability and (iii) low financial leverage.

Outperformance potential: Investments focusing on companies with quality characteristics have delivered outperformance over the long term relative to global equity benchmarks.

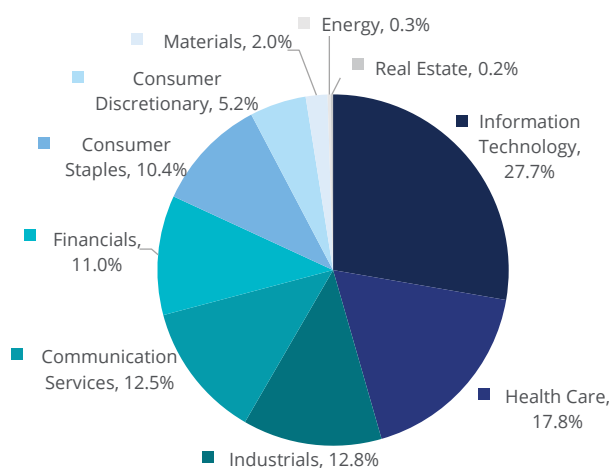
Diversified across countries, sectors and companies:

Offering investors a portfolio of approximately 300 companies across a range of geographies, sectors and economies.

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 and tracking an index. See the [PDS](#) for details.

Sector breakdown



Source: VanEck, as at 31 March 2025.

Fundamentals

Constituents (#)	293
Return on equity (%)	36.84
Price/Earnings (x)	26.28
Dividend yield (%)	1.34
Price/Book (x)	7.78
Price/Sales (x)	4.21

Source: VanEck, as at 31 March 2025.

VanEck MSCI International Quality ETF: Top and bottom performers

Top performers	Active weight (%)	Contribution to relative performance (%)	Sector	Commentary
Tesla, Inc.	-1.40	0.58	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. Not holding Tesla in the portfolio was the largest contributor to relative performance.
Broadcom Inc.	-1.37	0.39	Information Technology	Shares in Broadcom fell almost 30% for the quarter, and not holding the chip maker in QUAL was a significant contributor to relative performance. 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.
Amazon.com, Inc.	-2.96	0.35	Consumer Discretionary	Not holding Amazon in QUAL was a large contributor to relative performance as the company's share price fell 13%. The decline in share price was driven by the company reporting lower than expected revenue and profit guidance. Investors were also cautious of the impact of new tariffs imposed by the U.S. Government on Amazon's global supply chain.
Bottom performers	Active weight (%)	Contribution to relative performance (%)	Sector	Commentary
Alphabet Inc	2.30	-0.39	Communication Services	Shares in Google stock fell 18% for the quarter after the company reported revenue growth for its cloud computing segment that missed analyst expectations. The decline was driven also driven by broad market consensus and uncertainty around tariffs and global escalating trade tensions. The emergence of new AI-driven tools has also posed a potential threat to Google's dominance in the internet search industry.
Novo Nordisk A/S Class B	1.25	-0.25	Health Care	Novo Nordisk shares fell 26% in the first quarter as the Danish pharmaceutical giant reported disappointing clinical trial results for their new experimental obesity drugs. With competitors making significant strides in the weight-loss drug industry, these setbacks have contributed to a downgrade in investor confidence along with the threat of tariffs from the U.S. Government.
Berkshire Hathaway Inc Class B	-0.92	-0.17	Financials	Berkshire Hathaway stock rose during the quarter by 17% after reporting a positive earnings surprise. Investors were also drawn to the company's sizeable cash reserves as a defensive investment strategy amid market volatility. Due to the company's strong performance, not holding the position in QUAL was a large detractor to relative performance.

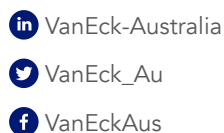
Source: VanEck, as at 31 March 2025.

Outlook

- A 'flight to quality' could surface this year given the uncertainty surrounding how the escalating tariff wars could impact economic growth and inflation. Quality companies typically outperform during periods of heightened market volatility and notably outperformed during the 2018-19 US China trade war period.
- Manufacturing activity may stall as companies look to reposition supply chains to navigate tariffs. This could result in an economic slowdown or contraction, which due to quality's defensive characteristics is typically an environment where the factor outperforms.
- Company debt serviceability could become increasingly scrutinised as higher interest rates strain balance sheets in a slowing economic environment. Consequently, there could be increased demand for quality companies with lower financial leverage and more stable historical earnings growth.

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.

QUAL is indexed to a MSCI index. QUAL is not sponsored, endorsed or promoted by MSCI, and MSCI bears no liability with respect to QUAL or the MSCI Index. The PDS contains a more detailed description of the limited relationship MSCI has with VanEck and QUAL.

© 2024 Van Eck Associates Corporation. All rights reserved.