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Quarterly report VanEck ETF Model Portfolios September 2020

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Overview September quarter

The shockwaves caused by the COVID-19 pandemic are still being felt across the economy with volatility and disparity observed across various economic indicators over the September quarter. The S&P/ASX 300 Index ended the September quarter slightly negative, although the performance divergence at a sector level remains prevalent. Information technology continued to rise over the September quarter, while energy and utilities struggled.

Global equities continued to rebound from their March low, with the MSCI World ex Australia Index AUD up 3.8% during the September quarter. However, volatility returned to markets, driven by fears of a second wave of infections and continued uncertainty about the outcome of the November Presidential election. The performance difference between the 'old economy' Dow Jones Industrial Index and 'new economy' Nasdaq Composite Index persisted during the quarter. The Nasdaq continued to close at record highs despite a 5.0% decline in September, while the Dow remains in the red for the year, each in US dollar terms.

Australian property securities continued to make up ground in the September quarter, outperforming the broader Australian equities index. Global property securities, however, did not keep pace with Australian property, and trailed global equities for the fourth consecutive quarter. The divergence between sub-sectors continues, with industrial/logistics outperforming and retail still feeling the effects of extended lockdown periods.

In fixed income, the market volatility, and Central Bank intervention so far this year has seen global sovereign bond yields driven lower in terms of yield. The Bloomberg Barclays Global Aggregate TR Index (AUD Hedged), returned 0.68% over the quarter. The Australian bond market, as measured by the Bloomberg AusBond Composite 0+ Year Index, rose by 1.02% over the quarter as RBA Governor Lowe flagged that interest rates would be kept at the record low of 0.25% and continue government bond-buying in order to stimulate the economy out of recession.

September 2020 quarterly portfolio performance

Period returns for periods ending 30 September 2020

Period	Balanced	Growth	High Growth	Balanced-Income
3 Months	2.32	2.81	3.33	0.97
6 Months	10.81	13.91	17.05	9.98
1 Year	0.77	0.18	-0.33	-4.66
3 Years	8.06	9.13	10.17	-
5 Years	-	-	-	-

Source: Lonsec

Past performance is not a reliable indicator of future performance. The Model Portfolios are notional portfolios.

Model Portfolio performance is calculated after management fees and before taxes.

Performance contributors and detractors for three months to 30 September 2020 – Balanced, Growth and High Growth

ETF	ASX Code	Balanced	Growth	High Growth
VanEck Vectors Australian Equal Weight ETF	MVW	0.43%	0.59%	0.74%
VanEck Vectors MSCI World ex Australia Quality ETF	QUAL	0.92%	1.27%	1.63%
Vanguard MSCI Index International Shares ETF	VGS	0.34%	0.47%	0.64%
VanEck Vectors Australian Property ETF	MVA	0.29%	0.28%	0.28%
VanEck Vectors FTSE Global Infrastructure (Hedged) ETF	IFRA	0.05%	0.05%	0.05%
VanEck Vectors FTSE International Property (Hedged) ETF	REIT	0.00%	0.00%	-0.01%
iShares Composite Bond ETF	IAF	0.21%	0.11%	-
Vanguard International Fixed Interest Index (Hedged) ETF	VIF	0.07%	0.04%	-
Generic Cash (RBA Cash Rate)	CASH	0.00%	0.00%	-

Source: Lonsec

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Performance contributors and detractors for three months to 30 September 2020 – Balanced-Income

ETF	ASX Code	Balanced-Income
VanEck Vectors Australian Equal Weight ETF	MVW	0.26%
Vanguard Australian Shares High Yield ETF	VHY	-0.31%
VanEck Vectors MSCI World ex Australia Quality ETF	QUAL	0.51%
SPDR S&P Global Dividend Fund	WDIV	-0.18%
VanEck Vectors Australian Property ETF	MVA	0.23%
VanEck Vectors FTSE Global Infrastructure (Hedged) ETF	IFRA	0.06%
VanEck Vectors FTSE International Property (Hedged) ETF	REIT	0.00%
iShares Composite Bond ETF	IAF	0.10%
Vanguard International Fixed Interest Index (Hedged) ETF	VIF	0.05%
iShares Core Global Corporate Bond (AUD Hedged) ETF	IHCB	0.07%
VanEck Vectors Australian Corporate Bond Plus ETF	PLUS	0.18%
iShares Core Cash ETF	BILL	0.00%

Source: Lonsec

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Performance contributors and detractors for twelve months to 30 September 2020 – Balanced, Growth and High Growth

ETF	ASX Code	Balanced	Growth	High Growth
VanEck Vectors Australian Equal Weight ETF	MVW	-1.58%	-2.42%	-3.38%
VanEck Vectors MSCI World ex Australia Quality ETF	QUAL	2.74%	3.73%	4.68%
Vanguard MSCI Index International Shares ETF	VGS	0.33%	0.42%	0.52%
VanEck Vectors Australian Property ETF	MVA	-0.63%	-0.67%	-0.71%
VanEck Vectors FTSE Global Infrastructure (Hedged) ETF	IFRA	-0.34%	-0.35%	-0.37%
VanEck Vectors FTSE International Property (Hedged) ETF	REIT	-0.68%	-0.92%	-0.94%
iShares Composite Bond ETF	IAF	0.53%	0.26%	-
Vanguard International Fixed Interest Index (Hedged) ETF	VIF	0.47%	0.25%	-
Generic Cash (RBA Cash Rate)	CASH	0.02%	0.01%	-

Source: Lonsec

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Performance contributors and detractors for twelve months to 30 September 2020 – Balanced-Income

ETF	ASX Code	Balanced-Income
VanEck Vectors Australian Equal Weight ETF	MVW	-0.99%
Vanguard Australian Shares High Yield ETF	VHY	-2.24%
VanEck Vectors MSCI World ex Australia Quality ETF	QUAL	1.49%
SPDR S&P Global Dividend Fund	WDIV	-2.33%
VanEck Vectors Australian Property ETF	MVA	-0.52%
VanEck Vectors FTSE Global Infrastructure (Hedged) ETF	IFRA	-0.46%
VanEck Vectors FTSE International Property (Hedged) ETF	REIT	-0.69%
iShares Composite Bond ETF	IAF	0.26%
Vanguard International Fixed Interest Index (Hedged) ETF	VIF	0.30%
iShares Core Global Corporate Bond (AUD Hedged) ETF	IHCB	0.27%
VanEck Vectors Australian Corporate Bond Plus ETF	PLUS	0.21%
iShares Core Cash ETF	BILL	0.03%

Source: Lonsec

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Performance contributors and detractors for three years to 30 September 2020 – Balanced, Growth and High Growth

ETF	ASX Code	Balanced	Growth	High Growth
VanEck Vectors Australian Equal Weight ETF	MVW	1.27%	1.75%	2.20%
VanEck Vectors MSCI World ex Australia Quality ETF	QUAL	3.15%	4.39%	5.62%
Vanguard MSCI Index International Shares ETF	VGS	0.90%	1.23%	1.68%
VanEck Vectors Australian Property ETF	MVA	0.30%	0.29%	0.29%
VanEck Vectors FTSE Global Infrastructure (Hedged) ETF	IFRA	0.07%	0.07%	0.07%
VanEck Vectors FTSE International Property (Hedged) ETF	REIT	-0.25%	-0.34%	-0.34%
iShares Composite Bond ETF	IAF	1.15%	0.58%	-
Vanguard International Fixed Interest Index (Hedged) ETF	VIF	0.72%	0.39%	-
Generic Cash (RBA Cash Rate)	CASH	0.06%	0.02%	-

Source: Lonsec

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ETF performance

Period returns for periods ending 30 September 2020

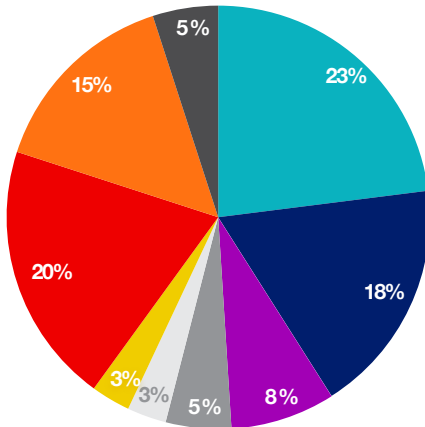
ETF	ASX Code	3 Months	6 Months	1 Year	3 Years
VanEck Vectors Australian Equal Weight ETF	MVW	1.77	23.79	-9.68	5.01
Vanguard Australian Shares High Yield ETF	VHY	-2.10	15.21	-15.61	-0.22
VanEck Vectors MSCI World ex Australia Quality ETF	QUAL	5.12	11.98	16.02	18.19
Vanguard MSCI Index International Shares ETF	VGS	4.28	10.52	4.07	11.28
SPDR S&P Global Dividend Fund	WDIV	-1.92	-2.02	-22.16	-0.87
VanEck Vectors Australian Property ETF	MVA	5.49	27.74	-18.62	4.77
VanEck Vectors FTSE Global Infrastructure (Hedged) ETF	IFRA	1.57	7.16	-11.53	2.29
VanEck Vectors FTSE International Property (Hedged) ETF	REIT	-0.19	7.54	-22.63	-
iShares Composite Bond ETF	IAF	1.03	1.85	2.69	5.71
Vanguard International Fixed Interest Index (Hedged) ETF	VIF	0.46	1.48	3.11	4.74
iShares Core Global Corporate Bond (AUD Hedged) ETF	IHCB	0.88	9.21	3.93	4.75
VanEck Vectors Australian Corporate Bond Plus ETF	PLUS	2.35	10.71	3.11	5.80
Generic Cash (RBA Cash Rate)	CASH	0.06	0.12	0.47	1.11
iShares Core Cash ETF	BILL	0.04	0.11	0.63	1.41

Source: Lonsec

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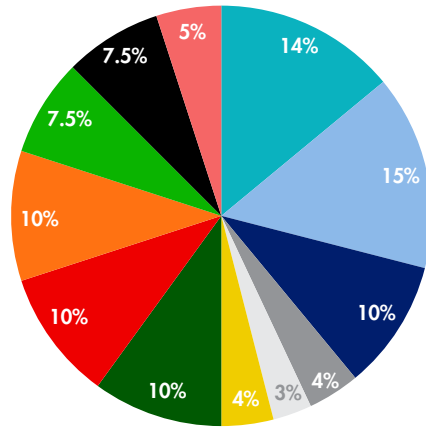
VanEck ETF Model Portfolios

Balanced



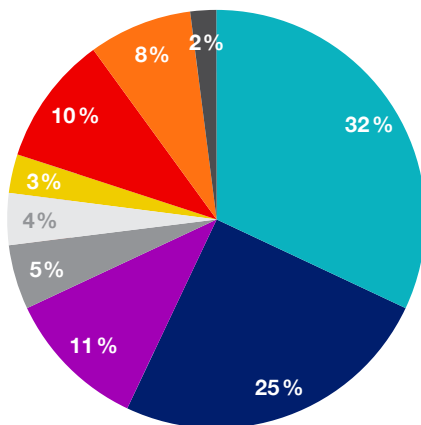
Management cost[^]: 0.28% p.a.

Balanced - Income



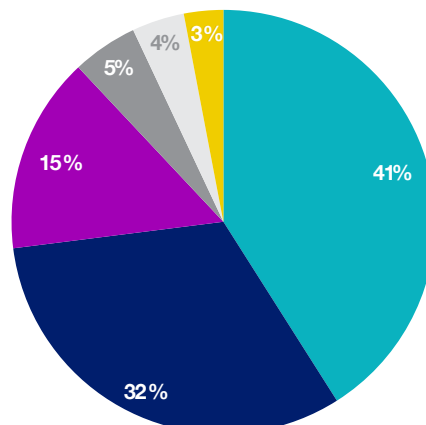
Management cost[^]: 0.31% p.a.

Growth



Management cost[^]: 0.32% p.a.

High Growth



Management cost[^]: 0.35% p.a.

- **MVW** VanEck Vectors Australian Equal Weight
- **VHY** Vanguard Australian Shares High Yield ETF
- **QUAL** VanEck Vectors MSCI World Ex Australia Quality ETF
- **VGS** Vanguard MSCI Index International Shares ETF
- **IAF** iShares Composite Bond Index ETF
- **VIF** Vanguard International Fixed Interest Index (Hedged) ETF
- **CASH** Generic cash (RBA cash rate)

- **MVA** VanEck Vectors Australian Property scETF
- **REIT** VanEck Vectors FTSE International Property (Hedged) ETF
- **IFRA** VanEck Vectors FTSE Global Infrastructure (Hedged) ETF
- **WDIV** SPDR S&P Global Dividend Fund
- **PLUS** VanEck Vectors Australian Corporate Bond Plus ETF
- **IHCB** iShares Core Global Corporate Bond (AUD Hedged) ETF
- **BILL** iShares Core Cash ETF

Management costs are estimates as of 30 September 2020 calculated as a weighted average of the management costs disclosed in the product disclosure statements for the underlying ETFs in the model portfolio*.

Risk profile

Risk profile for periods ending 30 September 2020 – Balanced, Growth and High Growth

ETF	Asset Category	ASX Code	Balanced	Growth	High Growth
VanEck Vectors Australian Equal Weight ETF	Growth	MVW	23	32	41
VanEck Vectors MSCI World ex Australia Quality ETF	Growth	QUAL	18	25	32
Vanguard MSCI Index International Shares ETF	Growth	VGS	8	11	15
VanEck Vectors Australian Property ETF	Growth	MVA	5	5	5
VanEck Vectors FTSE Global Infrastructure (Hedged) ETF	Growth	IFRA	3	3	3
VanEck Vectors FTSE International Property (Hedged) ETF	Growth	REIT	3	4	4
iShares Composite Bond ETF	Income	IAF	20	10	-
Vanguard International Fixed Interest Index (Hedged) ETF	Income	VIF	15	8	-
Generic Cash (RBA Cash Rate)	Income	CASH	5	2	-
Total Income Assets (%)			40	20	0
Total Growth Assets (%)			60	80	100
Total Weight			100	100	100

Risk profile for periods ending 30 September 2020 – Balanced Income

ETF	Asset Category	ASX Code	Balanced-Income
VanEck Vectors Australian Equal Weight ETF	Growth	MVW	14
Vanguard Australian Shares High Yield ETF	Growth	VHY	15
VanEck Vectors MSCI World ex Australia Quality ETF	Growth	QUAL	10
SPDR S&P Global Dividend Fund	Growth	WDIV	10
VanEck Vectors Australian Property ETF	Growth	MVA	4
VanEck Vectors FTSE Global Infrastructure (Hedged) ETF	Growth	IFRA	4
VanEck Vectors FTSE International Property (Hedged) ETF	Growth	REIT	3
iShares Composite Bond ETF	Income	IAF	10
Vanguard International Fixed Interest Index (Hedged) ETF	Income	VIF	10
iShares Core Global Corporate Bond (AUD Hedged) ETF	Income	IHCB	7.5
VanEck Vectors Australian Corporate Bond Plus ETF	Income	PLUS	7.5
iShares Core Cash ETF	Income	BILL	5
Total Income Assets (%)			40
Total Growth Assets (%)			60
Total Weight			100

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