

# VanEck ETF IQ Scorecard

June 2019

## Highlights

- The Australian ETP industry experienced net flows of \$780m.
- The ETP industry grew 30% to \$50.6bn over the 12 months to 30 June, and 31% p.a. over two years.
- International equity ETPs attracted \$288.4m in net flows in June, ahead of Australian equity ETPs at \$246.9m.
- Fixed income ETPs were also popular, attracting \$241.7m, as investors sought more defensive assets.
- Gold bullion returned 6.68% in AUD terms while the top performing ETP on the ASX in June was GDX as gold mining stocks rallied.
- Four ETPs launched in June, two Australian ESG funds and two international emerging markets funds.
- ETFs make up around 90% of total ETP assets under management (AUM).
- Market cap weighted ETPs were boosted by net flows of \$348.9m, while smart beta ETFs attracted \$272.7m.
- The S&P/ASX 200 Index returned 3.70%, while the MSCI World ex Australia Index in AUD terms returned 5.27%. The MSCI Emerging Markets Index returned 5.04% in AUD terms.
- The Bloomberg AusBond Composite Index returned 1.04% and Bloomberg Barclays Global Aggregate Bond \$A Hedged Index returned 1.29% as bonds rallied over the month.
- WTI Oil returned 8.06% in AUD terms.

## Chart of the month: Gold bull market on the horizon?

Gold prices in USD terms spiked above \$1,400/oz for the first time in 6 years – a move driven by an increasing sentiment that the U.S. Federal Reserve is going to enact a series of rate cuts. With global low interest rates already at historic lows, the monetary levers available to fight a recession are limited. Our US Global/Precious Metals Investment team believe the shift in central bank policies and ultimately the macroeconomic environment could spark the beginning of a new gold bull market.



Source: Bloomberg, VanEck Gold/Precious Metals Investment Team.

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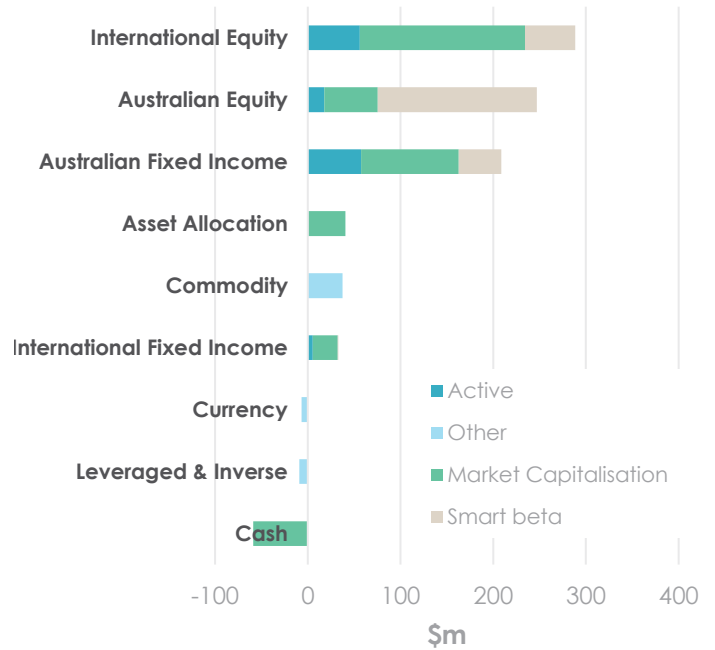
## International equity ETPs attract most flows

Investors flocked to international equity ETPs in June, with the greatest net flows of \$288.4m, compared to inflows of \$246.9m for Australian equities.

Over the 12 months to 30 June, international equity ETPs saw net flows of \$3.2bn, with AUM of \$21.9bn, up 29% from the same period in 2018. That outstripped the \$2.1bn that flowed to Australian equity ETPs, with AUM of \$18.6bn, up 22% from a year ago.

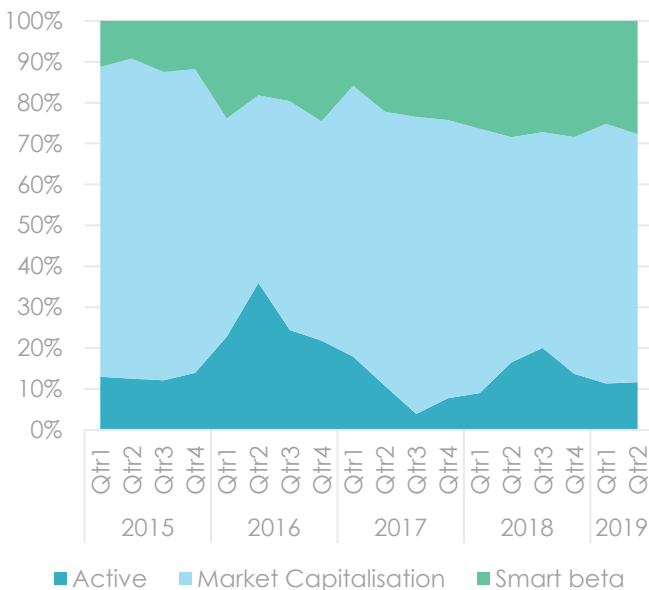
Australian fixed income ETPs were popular. They attracted \$208.8m in net flows in June. AUM of \$4.8bn was up 81% from a year ago, reflecting more defensive portfolio positioning given fears of a global economic slowdown, contributing to the drop in government bond yields. Flows to international fixed income grew \$32.9m in June, with AUM of \$742.9m up 72% from a year ago.

## Monthly flows



Source: VanEck, ASX, Bloomberg

## Quarterly flows by strategy



Source: VanEck, ASX, Bloomberg

## Flows by strategy

Smart beta ETFs attracted monthly net flows of \$272.7m, compared to \$348.9m flowing to market cap ETFs and \$137.0m to active ETPs.

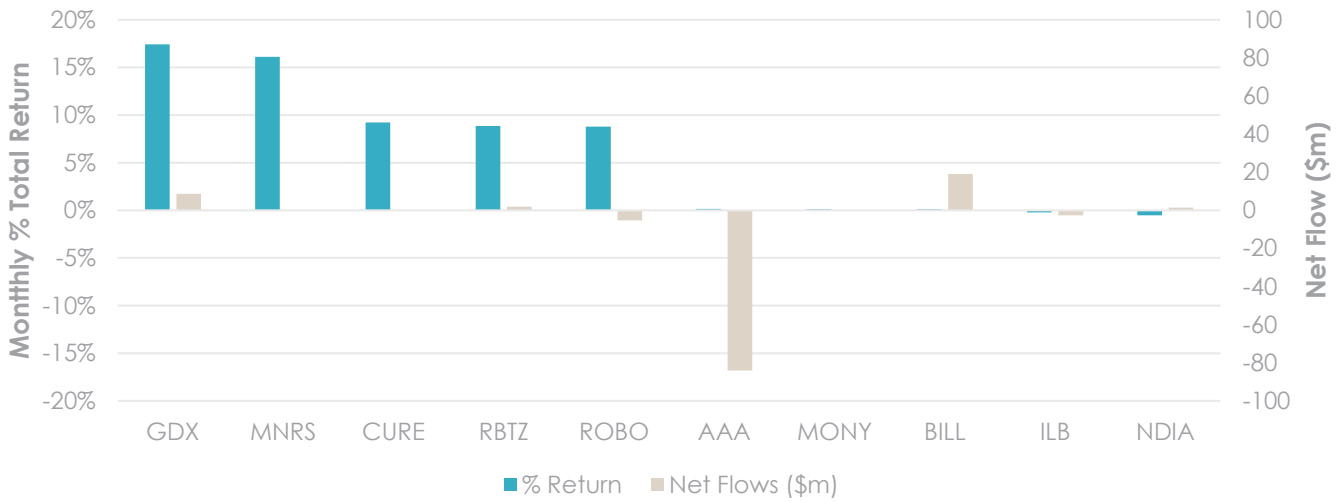
Smart beta ETFs have steadily gained market share as investors chase more targeted investment outcomes and true diversification. Reflecting this, VanEck's AUM jumped 66% from a year earlier to \$3.0bn, the greatest annual AUM growth rate of any ETF provider.

The market share of active ETPs has fallen in recent quarters, reflecting intense competition from index tracking ETFs, including market-cap and smart beta strategies, which are successfully attracting investors due to lower management costs and the greater transparency of their structure and holdings, and often outperformance.

# VanEck ETF IQ Scorecard

## Top and bottom ETF performers with net flows

GDX was the top performer in May and June, reflecting a flight to safer assets and rise in gold prices. Technology stocks RBTZ and ROBO performed strongly returning 8.86% and 8.80% respectively.



Source: VanEck, ASX, Bloomberg. Returns are calculated on the last day of the month and assume reinvestment of dividends and are net of fees and other costs incurred in the funds but do not include broker fees and bid/ask spreads incurred when investing on ASX or any taxes payable by the investor. Past performance is not a reliable indicator of future performance.

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| VanEck Vectors ETF Performance                              | ASX code | Inception Date | 1 Mth % | 1 Yr % p.a. | 3 Yrs % p.a. | 5 Yrs % p.a. | Inception %p.a. |
|---|----------|----------------|---------|-------------|--------------|--------------|-----------------|
| <b>Australian equity</b>                                    |          |                |         |             |              |              |                 |
| VanEck Australian Equal Weight ETF                          | MVW      | 4 Mar 14       | 3.30%   | 10.85%      | 12.86%       | 11.51%       | 11.04%          |
| VanEck Australian Banks ETF                                 | MVB      | 14 Oct 13      | 2.92%   | 8.03%       | 11.64%       | 6.31%        | 7.67%           |
| VanEck Australian Resources ETF                             | MVR      | 14 Oct 13      | 5.50%   | 13.54%      | 23.13%       | 11.04%       | 9.93%           |
| VanEck MSCI Australian Sustainable Equity ETF               | GRNV     | 27 Apr 16      | 3.00%   | 15.35%      | 7.53%        |              | 6.86%           |
| <b>AREITs</b>   |          |                |         |             |              |              |                 |
| VanEck Australian Property ETF                              | MVA      | 14 Oct 13      | 3.70%   | 26.58%      | 11.12%       | 14.99%       | 15.03%          |
| <b>Australian equity - small and mid caps</b>               |          |                |         |             |              |              |                 |
| VanEck S&P/ASX MidCap 50 ETF                                | MVE      | 14 Oct 13      | 2.47%   | 3.18%       | 12.28%       | 3.16%        | 1.31%           |
| VanEck Small Companies Masters ETF                          | MVS      | 26 May 15      | 1.08%   | 2.43%       | 10.16%       |              | 7.92%           |
| <b>International equity - developed markets</b>             |          |                |         |             |              |              |                 |
| VanEck MSCI World ex Australia Quality ETF                  | QUAL     | 29 Oct 14      | 5.42%   | 16.56%      | 16.09%       |              | 15.96%          |
| VanEck MSCI World ex Australia Quality (Hedged) ETF         | QHAL     | 21 Mar 19      | 6.15%   |             |              |              | 3.20%           |
| VanEck Morningstar Wide Moat ETF                            | MOAT     | 24 Apr 12      | 5.83%   | 18.36%      | 17.76%       | 17.86%       | 20.54%          |
| VanEck Gold Miners ETF                                      | GDX      | 16 May 06      | 17.41%  | 21.78%      | -0.11%       | 6.10%        | -2.02%          |
| <b>International equity - ESG</b>                           |          |                |         |             |              |              |                 |
| VanEck MSCI International Sustainable Equity ETF            | ESGI     | 6 Mar 18       | 5.61%   | 8.13%       |              |              | 9.69%           |
| <b>International equity - infrastructure &amp; property</b> |          |                |         |             |              |              |                 |
| VanEck FTSE Global Infrastructure (Hedged) ETF              | IFRA     | 29 Apr 16      | 3.19%   | 14.75%      | 9.67%        |              | 10.80%          |
| VanEck Vectors FTSE International Property (Hedged) ETF     | REIT     | 29 Mar 19      | 0.33%   |             |              |              | -0.13%          |
| <b>Emerging market equity</b>                               |          |                |         |             |              |              |                 |
| VanEck MSCI Multifactor Emerging Markets Equity ETF         | EMKT     | 10 Apr 18      | 4.91%   | -1.81%      |              |              | -4.79%          |
| VanEck ChinaAMC CSI 300 ETF                                 | CETF     | 13 Oct 10      | 5.93%   | 12.75%      | 8.67%        | 17.24%       | 6.25%           |
| VanEck China New Economy ETF                                | CNEW     | 8 Nov 18       | 3.95%   |             |              |              | 29.39%          |
| <b>Australian Fixed Income</b>                              |          |                |         |             |              |              |                 |
| VanEck Australian Corporate Bond Plus ETF                   | PLUS     | 9 May 17       | 1.14%   | 9.44%       |              |              | 6.44%           |
| VanEck Australian Floating Rate ETF                         | FLOT     | 5 Jul 17       | 0.24%   | 2.93%       |              |              | 2.71%           |

Source: VanEck. Returns are calculated on the last day of the month and assume reinvestment of dividends and are net of fees and other costs incurred in the funds but do not include broker fees and bid/ask spreads incurred when investing on ASX or any taxes payable by the investor. Past performance is not a reliable indicator of future performance. For more information including up to date performance data and inception dates go to [www.vaneck.com.au](http://www.vaneck.com.au).

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