



Access the opportunities.

Morningstar upgrades VanEck Australian equal weight and international quality ETFs

Sydney, 13 October 2020 – The VanEck Vectors Australian Equal Weight ETF (ASX: MVW) and the VanEck Vectors MSCI World ex Australia Quality ETF (ASX: QUAL) have been upgraded to Silver Morningstar Analyst Rating™ as of 23rd September 2020 and 9th September 2020 respectively, indicating the research house's view that the funds are likely to outperform over the long term on a risk-adjusted basis.

The Morningstar Analyst Rating™ for managed funds is a forward-looking analysis. Morningstar has identified five key areas crucial to predicting the future success of a fund in determining a rating: People, Parent, Process, Performance, and Price. Taking these into account, Morningstar has updated both ETFs from a Bronze rating.

MVW invests in a diversified and equally weighted portfolio of ASX-listed companies across sectors with a minimum of 25 holdings. The ETF is the only broad-based equity ETF listed on the ASX that equally weights securities, leading to reduced stock and sector concentration risk.

QUAL invests in a diversified portfolio of 300 quality international companies listed around the world (ex-Australia). The ETF tracks the performance of the MSCI World ex Australia Quality Index which screens companies based on MSCI quality scores for high returns on equity (ROE), stable earnings growth and low financial leverage.

Arian Neiron, VanEck Managing Director and Head of Asia Pacific, said the Silver ratings reflect the appeal of VanEck's leading smart beta offerings. "MVW is now the only Silver-rated Australian equities ETF. It delivers superior diversification and returns compared to most Australian equities actively managed funds. QUAL too offers the potential for outperformance from international equities over periods of volatility and weaker economic environments, and over the longer term," Neiron said.

VanEck's fifth annual Australian Smart Beta Survey reveals most financial professionals use smart beta strategies for global equities (77%) and Australian equity (70%) exposure. The most popular smart beta strategies used by financial professionals are single factor quality and equal or alternative weighted strategies.

The Morningstar Global Fund Report dated 23rd September 2020 states that the MVW approach is a well-reasoned strategy for diversification. "VanEck's equal-weighted portfolio not only mitigates large single-stock exposures but also fosters a more balanced sector allocation, which is typically skewed toward financials and materials in market-cap indexes in Australia."



Access the opportunities.

The report also states, “Over the trailing five years ended July 2020 on an annualised basis, the ETF has outperformed the equity Australia large-blend Morningstar Category average by 5.1%. All considered, MVW’s sound index construction, strong indexing capabilities, and attractive fee should serve investors well over the long term.”

In terms of QUAL, the Morningstar Global Fund Report dated 9th September 2020 states: “The quality factor captures durable businesses that generate earnings that are less susceptible to broader economic cyclicality, giving them a competitive edge. Stocks with quality traits are more resilient during distressed market and elevated volatility conditions, which leads to outperformance. QUAL delivers this essence well by fully replicating the portfolio of MSCI World Ex Australia Quality Index.”

The report also states, “The ETF has delivered impressive performance from inception till July 2020. Over the trailing three and five-year periods till July 2020, the performance of the strategy is ranked in the first quintile of its category. Its risk-adjusted performance is eye-catching, too; its trailing three and five years of return ranks in the first quintile within the category.”

Neiron said: “MVW and QUAL offer investors targeted investment outcomes and they have delivered. VanEck’s fifth annual smart beta survey shows that 99% of financial advisers who use smart beta strategies are happy with their performance.”

ENDS

MEDIA CONTACTS

Nicki Bourlioufas
Director, Spot On Content & PR
nicki@spotoncpr.com
+61 411 786 933

Vanessa Marks
Head of Communications
vmarks@vaneck.com
+61 438 243 085

ABOUT VANECK

VanEck is one of the world’s largest issuers of ETFs (exchange traded funds), managing in excess of US\$60 billion globally for individual and institutional investors. Founded in New York in 1955, VanEck is a pioneer in international investing and in gold funds, launching the first gold equities fund and the first gold ETF in the US.

In Australia, VanEck is the fastest growing ETF provider in the country and a leader in ‘smart beta’ investment strategies. We have 21 exchange traded funds on ASX that focus on delivering superior performance through beyond-the-usual approaches and providing access to asset classes typically unavailable to Australian investors.

vaneck.com.au



Access the opportunities.

IMPORTANT NOTICE: IMPORTANT NOTICE:

Issued by VanEck Investments Limited ACN 146 596 116 AFSL 416755 ('VanEck'). This is general advice only and **not personal financial advice**. It does not take into account any person's individual objectives, financial situation or needs. Read the PDS and speak with a financial adviser to determine if the fund is appropriate for your circumstances. The PDS is available at www.vaneck.com.au, and details the key risks. No member of the VanEck group of companies guarantees the repayment of capital, the payment of income, performance, or any particular rate of return from the fund.

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.

MVIS Australia Equal Weight Index ('MVIS Index') is the exclusive property of MV Index Solutions GmbH based in Frankfurt, Germany ('MVIS'). MVIS is a related entity of VanEck. MVIS makes no representation regarding the advisability of investing in the Fund. MVIS has contracted with Solactive AG to maintain and calculate the MVIS Index. Solactive uses its best efforts to ensure that the MVIS Index is calculated correctly. Irrespective of its obligations towards MVIS, Solactive has no obligation to point out errors in the MVIS Index to third parties.

© 2020 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. Any general advice or 'class service' have been prepared by Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or Morningstar Research Ltd, subsidiaries of Morningstar, Inc, without reference to your objectives, financial situation or needs. Refer to our Financial Services Guide (FSG) for more information at www.morningstar.com.au/s/fsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a professional financial adviser.