



Access the opportunities.

Media Contacts

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

Brad Livingstone-Foggo
Head of Marketing
bfoggo@vaneck.com
+61 2 8038 3321
+61 422 794 035

VanEck Corporate Bond ETF flies past \$115M FUM

Sydney, 20 November 2017 – VanEck Vectors Australian Corporate Bond Plus ETF (ASX: PLUS) has quickly won \$115 million in funds under management to be one of VanEck's most popular exchange traded funds (ETFs) as investors pile into fixed income ETFs, says Arian Neiron, Managing Director, VanEck Australia.

PLUS was one of VanEck's most traded funds during the September quarter with \$85 million in trades after listing on the Australian Securities Exchange (ASX) in May 2017. Mr Neiron expects PLUS to be VanEck's fastest growing ETF in the December quarter, alongside the company's floating rate bond offering, the VanEck Vectors Australian Floating Rate ETF (ASX: FLOT), as investors recognise the importance of fixed income in their portfolios.

"Australian investors are finally recognising the valuable role bonds can play in a portfolio, including providing attractive income and defence against capital loss," Neiron said.

"Traditionally, corporate bonds have not been easy to access and the market has been far from transparent. But now, investors and advisers are gravitating towards our corporate bond ETF because it is accessible, transparent and liquid. In addition, they are attracted to its low cost compared to actively-managed fixed income funds, most of which have underperformed their benchmarks," he said.

According to the SPIVA® Australia Scorecard, over the three-year period ending June 30, 2017, 96% of Australian bond funds underperformed their benchmark. Over the 12-months to June 30, 66% underperformed.¹

"PLUS enables investors to achieve potential outperformance, for a much lower cost than actively managed bond funds, with management costs of just 0.32% per annum. Investors also like the relative security of Australian corporate credit compared to shares, as well as the attractive yields corporate bonds provide above cash and term deposits," Neiron said.

PLUS tracks the Markit iBoxx AUD Corporates Yield Plus Index which selects the top 50% highest yielding corporate bonds issued in Australia. The Index offers access to around 100 Australian-issued corporate

¹ <http://us.spindices.com/spiva/#/reports>



Access the opportunities.

bonds and is designed to reflect the performance of higher-yielding AUD dominated corporate bond market with at least 80% of the bonds being 'investment grade'.

Over three years to 20 September 2017, the Index has returned an average of 5.41% per annum, compared to 3.90% per annum for the Australian fixed income market benchmark, the Bloomberg AusBond Comp 0+Yr Index. As at 3 November 2017, the running yield on Markit iBoxx AUD Corporates Yield Plus Index was 4.07%.

"Another key attraction is that the duration of the PLUS Index, or its sensitivity to interest rate changes, is less than that on the Australian market benchmark for bonds, the Bloomberg AusBond Composite 0+ Yr Index. So if interest rates rise, the bonds in the PLUS Index could be expected to fall in value less than those in the Australian fixed income market benchmark," said Mr Neiron.

"PLUS and FLOT may suit investors in retirement or the many who are underweight fixed income in their portfolios. Many Australians are heavily invested in shares, cash and low yielding term deposits. PLUS and FLOT provide important opportunities for investors to diversify into bonds, which are significantly underrepresented in many portfolios in a simple trade on the ASX."

ENDS

IMPORTANT NOTICE: This information is issued by VanEck Investments Limited ABN 22 146 596 116 AFSL 416755 ('VanEck') as the responsible entity and issuer of the VanEck Vectors Australian domiciled exchange traded funds ('Funds'). Nothing in this content is a solicitation to buy or an offer to sell shares of any investment in any jurisdiction including where the offer or solicitation would be unlawful under the securities laws of such jurisdiction. This is general information only and not financial advice. It does not take into account any person's individual objectives, financial situation or needs. Before making an investment decision in relation to a Fund, you should read the applicable PDS and with the assistance of a financial adviser consider if it is appropriate for your circumstances. PDSs are available at www.vaneck.com.au or by calling 1300 68 38 37. The Funds are subject to investment risk, including possible loss of capital invested. Past performance is not a reliable indicator of future performance. No member of the VanEck group of companies gives any guarantee or assurance as to the repayment of capital, the payment of income, the performance, or any particular rate of return from any Fund.

VanEck Vectors Australian Corporate Bond Plus ETF is based on the Markit iBoxx AUD Corporates Yield Plus Index. The Markit iBoxx AUD Corporates Yield Plus Index is the property of Markit Indices Limited and is used under license. The VanEck Vectors Australian Corporate Bond Plus ETF is not sponsored, endorsed, or promoted by Markit Indices Limited. iBoxx® and Markit® are marks of Markit Indices Limited or its Affiliates and have been licensed for use by VanEck.

About VanEck

Founded in 1955, VanEck was among the first asset managers helping investors achieve greater diversification through global investing. Today we are recognised for being a pioneer in global markets and for drawing on our experience to offer innovative solutions. We offer these solutions to individual investors and institutions, including endowments, foundations, pension plans and private banks.

With offices in key financial centres and regions including New York, Sydney, Shanghai, Frankfurt, Madrid and Zurich, VanEck offers investors broad investment reach with deep experience.

Further information about VanEck is available at vaneck.com and vaneck.com.au

About IHS Markit

(www.ihsmarkit.com)

IHS Markit (Nasdaq: INFO) is a world leader in critical information, analytics and solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 key business and government customers, including 85 percent of the Fortune Global 500 and the world's leading financial institutions. Headquartered in London, IHS Markit is committed to sustainable, profitable growth.

IHS Markit is a registered trademark of IHS Markit Ltd. All other company and product names may be trademarks of their respective owners © 2017 IHS Markit Ltd. All rights reserved.