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VanEck to launch its first Active ETF

Sydney, 28 January 2020 – VanEck has announced it will be launching its first Active ETF. The VanEck Emerging Income Opportunities Active ETF (Managed Fund) (ASX: EBND) will be another Australian first for VanEck, giving investors the ability to invest in a fully transparent ASX-listed, actively managed fund of emerging market bonds. It will leverage VanEck’s global expertise in emerging markets.

While the LIC and LIT debate continues, with news today Treasurer Josh Frydenberg will push through a consultation period with industry, and with many income-orientated offers coming to market, EBND provides an ideal active option which has the benefits of full transparency, liquidity and, because it’s open-ended, should trade close to its net asset value. Arian Neiron, VanEck Managing Director and Head of Asia Pacific, said: “With Australian and global developed markets’ bond yields extremely low, the higher yields available on emerging market debt provide investors with the potential for higher income. There is a new world order and emerging market (EM) bonds are at the forefront of this change.

Increasing exposure to EM bonds in a portfolio can be done without sacrificing returns or increasing volatility. An ‘unconstrained’ approach, such as EBND’s, considers the entire opportunity set within emerging markets. This means being able to take advantage of the best opportunities without being inhibited by benchmark constraints, and allows for flexibility to navigate the idiosyncrasies between countries, currencies, credit, duration, maturities and regions. EBND gives Australian investors that opportunity in, what we think is the best possible format, an Active ETF. ETFs do not pay any stamping fees and with the Australian ETP market at a record \$62bn we think it is set to grow even more this year” said Neiron.

EBND seeks to identify undervalued opportunities through investments in emerging market debt securities issued in both hard and local currencies. VanEck was among the first EM managers to combine local and hard currency bonds in one unconstrained offering. VanEck is one of the largest Emerging Markets Bond managers in the world with over \$8 billion in assets under management.

EBND’s active investment team is led by Mr Eric Fine, an industry veteran with over 25 years’ experience working in emerging market bonds. Mr Fine said: “We are thrilled to be bring this strategy to Australia. We believe an unconstrained approach is important because idiosyncrasies exist, and country and currency selections are imperative. We think most investors do not have enough, or any, emerging markets bonds in their portfolios, despite emerging markets representing over 50% of global GDP. Many emerging markets boast strong economic performance based on good economic policy decision making. There is a number of reasons many investors do not have EM bonds in their portfolio or it is underrepresented but it means they are potentially missing out on the diversification and yield benefits associated with EM bond investing”



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Fund	ASX code	Features	Management Costs
VanEck Emerging Income Opportunities Active ETF (Managed Fund)	EBND	<ul style="list-style-type: none">• EBND aims to provide investors with a globally diversified portfolio of bonds and currencies in emerging markets. The Fund aims to provide total investment returns, measured over the medium to long term in excess of its benchmark. EBND's benchmark is a blended index consisting of 50% J.P. Morgan Emerging Market Bond Index Global Diversified Hedged AUD and 50% J.P. Morgan Government Bond Index-Emerging Markets Global Diversified.• Target yield of 5% p.a.*• Monthly distributions• All the benefits of a fully transparent Active ETF including:<ul style="list-style-type: none">○ Simple trading on the ASX○ Liquid○ Transparent daily holdings○ Cost effective	0.95% p.a.

ENDS

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ABOUT VANECK

VanEck is one of the world's largest issuers of ETFs (Exchange Traded Funds), managing in excess of \$50 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.

vaneck.com.au

IMPORTANT NOTICE: This information issued by VanEck Investments Limited ABN 22 146 596 116 AFSL 416755 ('VanEck') as the responsible entity and issuer of VanEck Emerging Income Opportunities Active ETF (the Fund). Units in the Fund are not currently available. The Fund has been registered by ASIC and VanEck has lodged an application with ASX for units in the Fund to be admitted to trading status on ASX under the code 'EBND'.

This information is general in nature and not financial advice. It does not take into account any person's individual objectives, financial situation or needs. Before making an investment decision investors should read the product disclosure statement and with the assistance of a financial adviser consider if it is appropriate for their circumstances. The PDS has been lodged with ASIC. A copy is currently available from our offices and will be available after the end of the exposure period at www.vaneck.com.au or by calling 1300 68 38 37.

EBND invests in emerging markets. An investment in EBND has specific and heightened risks that are in addition to the typical risks associated with investing in the Australian market. These include: currency risks from foreign exchange fluctuations; foreign laws and regulations including application of foreign tax legislation including confiscatory taxation and withholding taxes; changes in government policy; expropriation; economic conditions including international trade barriers; securities trading restrictions; changed circumstances in dealings between nations; lack of uniform accounting and auditing standards; potential difficulties in enforcing contractual obligations and extended settlement periods. See the PDS for more details of the key risks. No member of the VanEck group guarantees the repayment of capital, the payment of income, performance, or any particular rate of return from EBND.

* Each month the Responsible Entity of the Fund ('the RE') will determine the cash amount of the dividend to be paid in the best interests of investors, taking into account all relevant factors including the Fund's investment objective and its economic performance. In determining each month's dividend the RE will target an annual dividend yield of 5% of the capital invested at the beginning of the period. From time to time the RE may amend this target in the best interests of investors.