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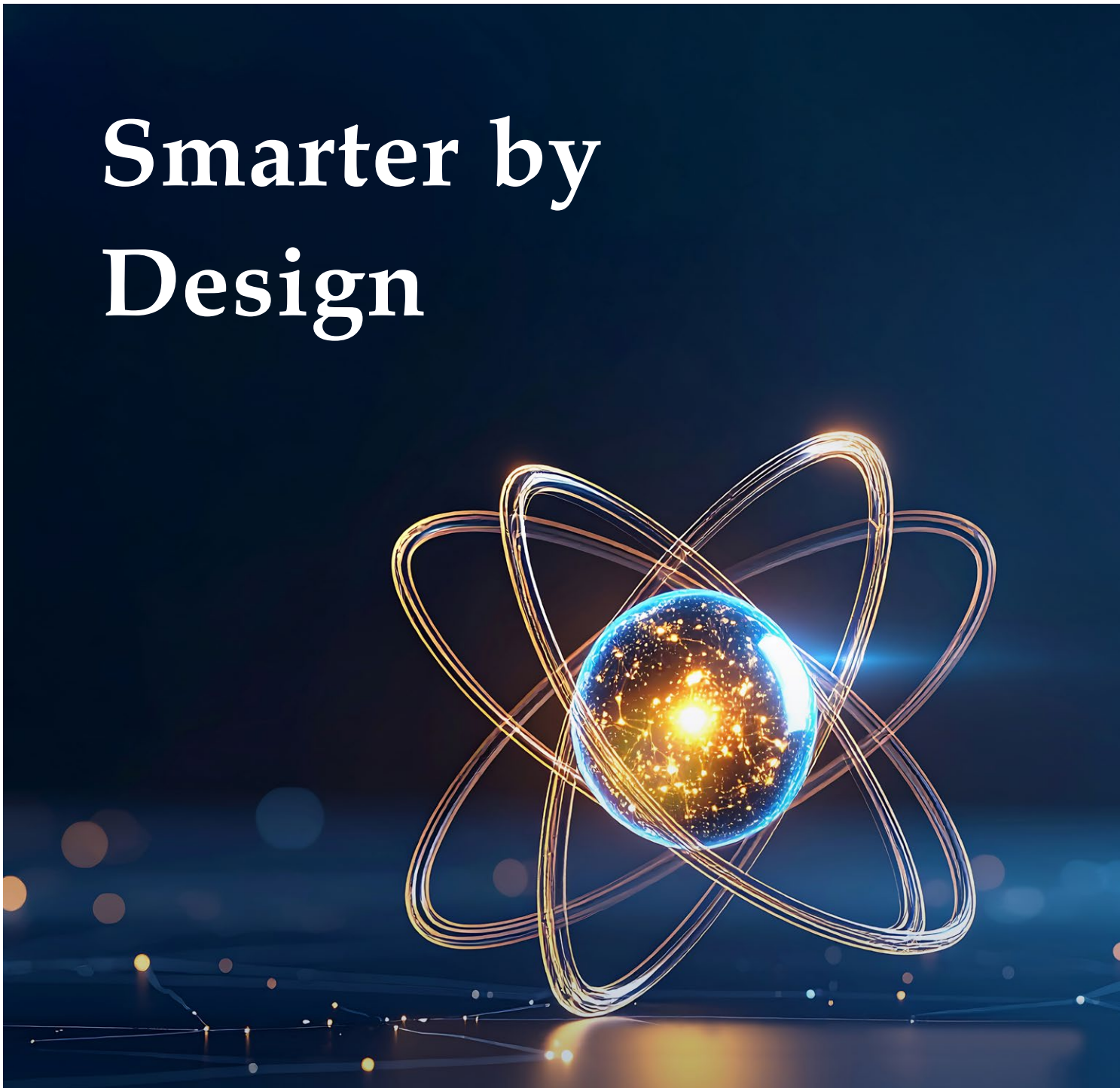

The Case for Blending Active, Passive and Factor Strategies in Multi-Asset Portfolios

April 2026

Executive summary

The dominant template in multi-asset portfolio construction, stacking market-capitalisation-weighted beta exposures and calling it diversification, is an artefact of the last century and the dawn of superannuation. It does not reflect the investment tools available now.

This paper makes a straightforward argument: the equity risk premia embedded in modern factor research (value, quality, momentum, size, minimum volatility) are real, persistent, and harvestable through smart beta ETFs. When substituted for passive market-cap exposures at a similar cost in a diversified portfolio, they structurally improve both raw returns and risk-adjusted outcomes, not through leverage, not through timing, but through better construction.

We further argue that in certain asset classes, notably emerging market fixed income, market inefficiencies are sufficiently persistent to warrant active management alongside passive factor harvesting. VanEck's Core+ Diversified Active ETFs are built using this architecture.

The empirical evidence is unambiguous. Across balanced, growth, and high growth risk profiles, hypothetically constructed portfolios using smart beta, selective active ETFs and uncorrelated asset classes have historically outperformed conventional market-cap equivalents on every meaningful metric: higher returns, lower volatility, and superior Sharpe ratios over the long term.

1. The problem with passive-only diversification

1.1 The 60/40 Portfolio: A product of its time

Harry Markowitz's 1952 paper, Portfolio Selection, gave investors the efficient frontier which identifies the most 'efficient' investment portfolios that generate returns at a given level of risk. The risk measure used is the standard deviation of returns.

Back then, based on long-term historical results, a roughly 60/40 split between shares (growth assets) and bonds (defensive assets) was considered the optimal portfolio. This was consistent with earlier support for portfolio diversification. In The Intelligent Investor, Benjamin Graham advocated a 50-50 stock-bond allocation as a baseline, with shifts of up to 25–75 in either direction based on market conditions.

The Superannuation Guarantee in Australia institutionalised this logic, making diversified balanced and growth funds the default investment vehicle for millions of Australian workers. The Australian Government, via its moneysmart.gov.au has provided Australian investors with a practical guide to investing, and the website highlights typical investment portfolios including 'balanced' and 'growth' mixes. The moneysmart balanced portfolio holds approximately 70% growth and 30% defensive assets; the growth portfolio approximately 85% growth.

Another observable trend has been the rise of passive management. Passive managers aim to track the benchmark index (usually a market capitalisation index) and achieve the returns of the market, or beta, minus their fees. Those fees are less than active managers' fees because passive investing doesn't require the same level of analysis and therefore less staff. Many asset allocators found this a good trade-off because while actively managed funds sometimes outperformed, sometimes they did not, while passive funds achieved just below market performance for lower fees. The introduction of the Your Future, Your Super legislation led to many superannuation balanced and growth options to use passive strategies to achieve their exposure. This is because the legislation introduced a risk for large superannuation funds if they underperform. So rather than underperform, they tend to track the market.

None of this is wrong. The principle of diversification across asset classes is sound. The problem lies in the implementation, specifically, the reflexive assumption that market-capitalisation weighting is the optimal way to take those asset class exposures.

1.2 The structural flaw of market capitalisation weighting

A market capitalisation weighted index does something that should trouble any investor: it has the potential to overweight expensive assets and underweight cheap ones.

A passive strategy that tracks a market capitalisation beta index allocates more to bigger companies than to smaller companies. When the market overvalues a stock, a strategy tracking that index buys too much of the overpriced stock. Conversely, when the market undervalues a stock, the strategy sells too much of the underpriced stock. For investors seeking maximum returns, this is not ideal.

The concentration problem compounds this. A market-cap-weighted Australian equity index can have its top ten holdings represent a substantial portion of total exposure. It's not only an Australian problem, in recent years, a handful of US mega-cap technology companies dominated global indices. An investor in a passive global equity ETF was, in effect, running a concentrated bet on a narrow set of technology companies, a fact obscured by the word "diversified" on the product label.

Key insight

Market capitalisation weighting is not a neutral choice. It is an active decision to overweight the largest, most expensive stocks in any index. Factor-based construction allows investors to make deliberate, research-backed choices about the risk premia they wish to harvest.

1.3 The rise of smart beta: Alpha industrialised

The evolution from active to passive management over the past five decades obscured an important finding: much of what looked like active manager "alpha" was systematic exposure to identifiable risk factors. Academic research including Fama and French's identification of the value and size premia, the momentum work of Jegadeesh and Titman, and more recently the research of Novy-Marx into the quality factor established that returns can be decomposed into market beta and factor-specific premia.

Smart beta is the industrialisation of this insight. It takes factor exposures that previously required expensive active management, encodes them in transparent, rules-based index methodologies, and delivers them at low cost through ETFs. The result is a middle path between passive and active: systematic, evidence-based, low-cost, and transparent.

The seven equity factors, as defined by MSCI Research, with the strongest empirical support are:

- **Quality:** Companies with high return on equity, stable earnings, strong balance sheets, and low leverage. The quality premium is supported by evidence that financially sound businesses structurally outperform over full market cycles.
- **Value:** Stocks trading at low multiples relative to fundamentals (book value, earnings, cash flow) tend to outperform over the long run. The value premium is perhaps the oldest and most extensively documented in financial economics.
- **Size (Equal Weight):** Smaller companies, being less intensively covered and more operationally flexible, tend to outperform larger capitalisation peers over long horizons. Equal weighting is a simple implementation of a size tilt.
- **Momentum:** Securities that have outperformed over trailing three-to-twelve month periods tend to continue outperforming in the near term. The momentum factor is behavioural in origin, reflecting the slow diffusion of information and investor anchoring.
- **Dividend Yield:** High-yielding stocks have historically delivered superior total returns, particularly over longer horizons. The yield factor also introduces a natural valuation discipline, as dividends constrain speculative valuation expansion.
- **Minimum Volatility:** A portfolio of low-volatility stocks structurally outperforms a portfolio of high-volatility stocks on a risk-adjusted basis, contradicting the naive expectation that higher risk always produces higher return.
- **Growth:** Companies with superior revenue and earnings growth, often driven by secular disruption or structural market share gains, can deliver returns above the broader market, particularly during periods of monetary accommodation.

2. Active management where markets are inefficient

2.1 Not all markets are created equal

A foundational principle of this framework is that the choice between passive, smart beta, and active management should be driven by the efficiency characteristics of each market segment, not by ideology.

In large-cap developed market equities, the case for systematic, factor-based approaches is strong. Markets are liquid, information is broadly disseminated, and active managers struggle on average to overcome the headwind of fees. SPIVA data for the Australian market consistently shows the majority of active equity managers underperform their benchmark after fees over rolling five-year horizons.

In some markets, like global listed infrastructure, active managers have a narrow return range. We think in markets like this, passive approaches are warranted.

An under-researched market like emerging market fixed income is a different story. These markets are characterised by structural information asymmetries, thinner liquidity, significant currency and political risk, and a universe of issuers with different credit quality profiles. An active, fundamentals-driven manager can exploit these inefficiencies in ways that a passive index cannot. A passive emerging market bond index, by construction, allocates more to the most indebted issuers and the largest borrowers are not necessarily the best creditors.

2.2 The Core+ architecture

VanEck's Core+ Diversified Active ETFs are built on this architecture. The equity allocation is constructed from a diversified blend of smart beta ETFs, each targeting a specific, empirically validated factor or index construction methodology. The fixed income allocation layers passive domestic bond exposure with active management in the segments where it is most justified. For some asset classes the use of market capitalisation, or beta, approaches is warranted especially when there is a narrow return range, like global listed infrastructure.

This is not a passive-versus-active debate. It is a question of where to deploy each tool. The Core+ portfolios use smart beta in markets where factor harvesting is most reliable, passive where it is not and active management in markets where fundamental analysis can generate durable edge.

Architecture

Core^{+} = Smart Beta Equity Factor Tilts +
Passive and Smart Beta Domestic Fixed Income +
Active Management +
Real Assets (Infrastructure, Property, Gold)

3. Asset allocation: The dominant driver of outcomes

3.1 What the research tells us

The 1986 study by Brinson, Hood, and Beebower, Determinants of Portfolio Performance, demonstrated that asset allocation decisions account for approximately 93.6% of the variation in a diversified portfolio's return over time. Security selection and market timing together explain the remaining fraction. Subsequent research has consistently confirmed this finding.

The implication is profound: getting the asset allocation decision right, both the choice of asset classes and the implementation approach within each class, is the single most important thing a portfolio constructor can do. Marginal improvements to security selection or market timing are swamped by the effect of asset allocation.

This is why smart beta matters at the portfolio level. By replacing market-cap-weighted equity exposures with factor-tilted alternatives, the Core+ approach targets a structural improvement in expected return for a given level of portfolio risk. It is not a trading strategy; it is a construction philosophy.

4. Empirical evidence: The performance, the risk and the risk-adjusted case

4.1 Portfolio construction

We constructed six hypothetical portfolios across three risk profiles, Balanced, Growth, and High Growth.

We noted earlier the Australian Government, via its moneysmart.gov.au website, highlights typical investment portfolios including, 'balanced' and 'growth' mixes. The Australian Prudential Regulatory Authority (APRA too has created its MySuper Heatmap, which is intended to improve transparency in Australia's superannuation industry by providing credible, clear and comparable information for all MySuper Products. The 2019 Information Paper included an example balanced fund, as well as a list of benchmarks that were used when creating reference benchmark portfolios. We have used this portfolio and benchmark information to create returns for a balanced portfolio, 'MoneySmart Balanced' in our analysis.

This balanced portfolio matches the moneysmart.gov.au balanced portfolio mix. We have then created a growth portfolio adjusting for the breakdown of growth and defensive assets in proportion to the moneysmart.gov.au mixes. We then also created a high growth portfolio, which has no defensive assets. These are MoneySmart Growth and MoneySmart High Growth in our analysis.

For simplicity, we have used index returns, so these portfolios do not include fees or transaction costs.

The VE Hypothetical portfolios are constructed using smart beta, select market capitalisation and an active emerging markets bond allocation. To allow for a longer analysis, we have used the reference index, rather than the ETFs that track these indices. The use of index returns also allows a cleaner comparison of the underlying exposure quality. Many of these are smart beta indices, so their performance will be different from the market capitalisation equivalents, again. It is important to note that for emerging market bonds we have used the net returns of the active emerging market bond ETF, EBND. In the context of portfolio construction considerations we have also considered a strategic asset allocation between different types of ETFs and asset classes.

Details of the asset allocation and index references are in Appendix B.

4.2 Returns

Figure 1: Hypothetical returns by portfolio to 31 March 2026

	YTD (%)	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)	Common inception (% p.a.)
MoneySmart Balanced	-3.39	7.15	9.51	6.97	8.08
VE Hypothetical Balanced	**-1.68**	**8.54**	**9.79**	**7.42**	**8.27**
MoneySmart Growth	-4.08	8.24	11.10	8.44	9.87
VE Hypothetical Growth	**-2.46**	**9.87**	**11.57**	**9.07**	**10.31**
MoneySmart High Growth	-4.55	9.49	12.41	9.80	11.61
VE Hypothetical High Growth	**-3.45**	**11.66**	**13.40**	**10.72**	**12.36**

Source: Morningstar Direct, VanEck. Common start date 30 June 2020. Results calculated monthly, assuming immediate reinvestment of all dividends. Index returns only - no fees or transaction costs. Past performance is not indicative of future performance. You cannot invest directly in an index. A breakdown of the holdings of the above portfolios is in Appendix 2.

The outperformance of the VE Hypothetical portfolios across every risk tier and every time period is not marginal.

Perhaps most notable is the Balanced comparison. The VE Hypothetical Balanced carries a more conservative asset allocation than MoneySmart Balanced, 60% growth versus 70%, and yet it outperformed in absolute return terms. The factor premium in the equity portion is doing sufficient work to overcome the structural disadvantage of holding more defensive assets.

4.3 Volatility

While the performance of the smart beta-dominated VE Hypothetical portfolios is noteworthy, it is worth assessing the risks taken on to achieve these returns. Many investors consider volatility as a measure of risk. As noted above, Modern Portfolio Theory uses the standard deviation of returns to measure volatility.

Figure 2: Hypothetical volatility (standard deviation of returns) to 31 March 2026

	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)	Common inception (% p.a.)
MoneySmart Balanced	6.65	7.41	8.62	8.46
VE Hypothetical Balanced	**5.93**	**5.87**	**6.73**	**6.59**
MoneySmart Growth	7.65	8.29	9.66	9.56
VE Hypothetical Growth	**7.35**	**7.18**	**8.22**	**8.11**
MoneySmart High Growth	8.78	9.25	10.76	10.73
VE Hypothetical High Growth	**9.10**	**8.70**	**9.88**	**9.72**

Source: Morningstar Direct, VanEck. Common start date 30 June 2020. Results calculated monthly, assuming immediate reinvestment of all dividends. Index returns only - no fees or transaction costs. Past performance is not indicative of future performance. You cannot invest directly in an index. A breakdown of the holdings of the above portfolios is in Appendix 2.

The volatility data resolves the question: VE Hypothetical portfolios delivered higher returns at lower or comparable volatility over three and five years, and since common inception. This is the definition of portfolio efficiency. The outperformance documented in Figure 1 was not achieved by taking more risk, it was achieved, in our opinion, by constructing better portfolios.

Unsurprisingly, this is reflected in the Sharpe ratios. The Sharpe ratio combines the return measure with the volatility measure to quantify the relationship between the returns and risk. It provides a measure of risk-adjusted performance.

4.4 Hypothetical performance: Sharpe ratios

Figure 3: Sharpe ratios to 31 March 2026

	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)	Common inception (% p.a.)
MoneySmart Balanced	0.50	0.71	0.49	0.66
VE Hypothetical Balanced	**0.77**	**0.92**	**0.67**	**0.86**
MoneySmart Growth	0.57	0.82	0.59	0.77
VE Hypothetical Growth	**0.80**	**0.99**	**0.75**	**0.94**
MoneySmart High Growth	0.64	0.87	0.66	0.84
VE Hypothetical High Growth	**0.84**	**1.02**	**0.79**	**0.99**

Source: Morningstar Direct, VanEck. Common start date 30 June 2020. Results calculated monthly, assuming immediate reinvestment of all dividends. Index returns only - no fees or transaction costs. Past performance is not indicative of future performance. You cannot invest directly in an index. A breakdown of the holdings of the above portfolios is in Appendix 2.

We think the Sharpe ratios tell the most important story. In every instance, across every time horizon, the VE Hypothetical portfolios exhibit materially superior risk-adjusted performance. This is a structural advantage, not a cyclical one.

4.5 The blend as risk mitigation

Factor premia do not always work simultaneously. Value underperformed from 2020 through to early 2024 as central bank liquidity drove speculative expansion in high-growth technology assets. The quality factor performed well in this environment. From the second half of 2024, as monetary conditions tightened, value reasserted itself strongly while many quality companies underperformed.

The VE Hypothetical portfolios maintained continuous exposure to both value and quality factors throughout this cycle. The blend did not try to time factor rotations - a notoriously difficult exercise - but instead harvested the premium from whichever factors were in favour while the others recovered. This structural diversification across factors, not just asset classes, is a key source of the VE Hypothetical portfolios' resilience.

Bottom line

Across six portfolios and over the medium and long term, the VE Hypothetical portfolios delivered higher returns, lower volatility, and superior Sharpe ratios versus market-cap alternatives. Higher return without higher risk is the empirical definition of better construction.

5. The Core+ product range

5.1 Three funds, one philosophy

VanEck's Core+ Diversified Active ETFs are listed on the ASX and are designed to serve as complete investment solutions for investors at different risk tolerances. Each fund is an ETF of ETFs, using VanEck's proprietary smart beta and active strategies as underlying building blocks within a strategic asset allocation framework. Noting that the performance of the VE Hypothetical portfolios are not indicative of the future performance of the Core+ Active ETFs.

Ticker	Fund	Growth / Defensive	Risk Profile
VBAL	VanEck Core+ Diversified Balanced Active ETF	60 / 40	Balanced
VGRO	VanEck Core+ Diversified Growth Active ETF	80 / 20	Growth
VHGR	VanEck Core+ Diversified High Growth Active ETF	100 / 0	High Growth

Conclusion

The investment industry has spent decades debating active versus passive. While many believe the debate has been resolved in favour of passive for most asset classes, most of the time. But the victory of passive over active does not mean that all passive approaches are equal.

Market-cap weighting is one way to take passive exposure. Factor weighting, grounded in decades of academic research and extensive empirical validation, we think there is a better way. It harvests identifiable, persistent risk premia that market-cap portfolios systematically ignore or inadvertently bet against. And in asset classes where market inefficiencies are structural and persistent, selective active management can add further value.

The performance evidence presented in this paper is not the result of backtested curve-fitting. It reflects the real, investable characteristics of the indices and strategies underlying the VE Hypothetical portfolios, measured across a period that included pandemic recovery, aggressive monetary tightening, factor rotation, and global equity volatility. In every environment, the VE Hypothetical approach delivered better risk-adjusted outcomes.

VanEck's Core+ Diversified Active ETFs represent an application of this philosophy: systematic, evidence-based, multi-factor equity construction combined with disciplined asset allocation and targeted active management where market structure warrants it. They are designed to be the foundation of a long-term investment portfolio, not a trading instrument or a tactical overlay.

The question for investors is not whether to own a diversified fund. The question is whether the one they own is built with the best available tools.

Appendix A: Factor primer

Factor-based investing identifies systematic, persistent drivers of risk and return that transcend individual security selection. Academic literature has identified seven equity factors with robust empirical support across markets and time periods:

1. Quality

Quality companies, characterised by high return on equity, stable earnings, strong balance sheets, and low debt have historically produced positive long-term returns with lower volatility. The quality premium traces its intellectual lineage to Benjamin Graham and David Dodd's 1934 Security Analysis. Modern empirical work by Novy-Marx (2014) and Asness, Frazzini, and Pedersen (2013) confirmed that quality portfolios generate superior Sharpe ratios versus the market. MSCI's Quality Index series provides a systematic implementation of this factor.

2. Size (Equal Weight)

Smaller companies tend to outperform larger companies over long investment horizons. Equal weighting is a straightforward implementation of a size tilt, avoiding the concentration risk inherent in market-cap weighting. The size premium has been documented across Canadian, German, and UK equity markets by Berges et al. (1984), Stehle (1992), and Strong and Xu (1997) respectively.

3. Value

Securities trading at low multiples relative to fundamentals, price-to-book, price-to-earnings, enterprise value-to-cash flow have historically outperformed expensive securities. The value premium is grounded in work by Benjamin Graham and David Dodd, extended empirically by Basu (1977) and Fama and French (1992). It reflects a combination of risk compensation (value stocks are genuinely riskier in distress) and behavioural mispricing (investors extrapolate recent growth trends too aggressively).

4. Momentum

Securities exhibiting strong recent price performance tend to continue outperforming over the near-to-medium term. Jegadeesh and Titman (1993) provided the foundational evidence, with Carhart (1997) and Rouwenhorst (1998) extending the finding internationally. Momentum is considered largely behavioural in origin, reflecting slow information diffusion, investor herding, and anchoring biases.

5. Dividend Yield

High-dividend-yielding stocks have historically produced superior total returns over long horizons. Litzenberger and Ramaswamy (1979) and Blume (1980) documented a positive relationship between dividend yields and expected returns; Fama and French (1988) found that the dividend yield provides greater explanatory power for longer-term return horizons. The yield factor also embeds a valuation discipline, limiting speculative excess.

6. Minimum Volatility

Portfolios of low-volatility stocks historically outperform high-volatility stocks on a risk-adjusted basis, Haugen and Baker (1991) identified the inefficiency of capitalisation-weighted portfolios; Clarke, De Silva, and Thorley (2006) formalised minimum variance portfolios in US equities; Nielsen and Subramanian (2008) extended the finding to global markets. The factor provides natural defensive characteristics during market dislocations.

7. Growth

Companies with superior revenue and earnings expansion potential, driven by technological disruption, secular demand shifts, or structural market share gains can deliver above-market returns, particularly in periods of low interest rates and abundant liquidity. MSCI's growth factor indices capture this dynamic with systematic screening for earnings growth trajectories and revenue expansion metrics.

Appendix B: Portfolio Asset Allocations and Index References

MoneySmart Reference Portfolios

Asset/ETF	Balanced	Growth	High Growth
Growth	**70.0%**	**85.0%**	**100.0%**
Defensive	**30.0%**	**15.0%**	**0.0%**
Australian Equity	25.0%	30.0%	40.0%
International Equity (unhedged)	30.0%	40.0%	45.0%
Australian Property	10.0%	10.0%	10.0%
Infrastructure	5.0%	5.0%	5.0%
Australian Fixed Income	12.5%	7.0%	0.0%
International Fixed Income	12.5%	7.0%	0.0%
Cash	5.0%	1.0%	0.0%

MoneySmart Benchmark Indices

Asset Class	Index
Australian Equity	S&P/ASX 300 Index
International Equity (unhedged)	MSCI All Country World ex Australia Index
Australian Property	S&P/ASX 300 A-REIT Index
Infrastructure	FTSE Developed Core Infrastructure Index hedged to AUD
Australian Fixed Income	Bloomberg AusBond Composite 0+ Index
International Fixed Income	Barclays Global Aggregate Bond Index AUD Hedged
Cash	Bloomberg AusBond Bank Bill Index

VE Hypothetical Portfolio Allocations

Asset/ETF	Balanced	Growth	High Growth
Growth	**60.0%**	**80.0%**	**100.0%**
Defensive	**40.0%**	**20.0%**	**0.0%**
VanEck Australian Equal Weight ETF	17.0%	24.0%	35.0%
VanEck Small Companies Masters ETF	3.0%	4.0%	8.0%
VanEck MSCI International Quality ETF	8.5%	12.0%	13.5%
VanEck MSCI International Value ETF	8.5%	12.0%	13.5%
VanEck MSCI International Small Companies Quality ETF	4.0%	6.0%	9.0%
VanEck MSCI Multifactor Emerging Markets ETF	5.0%	6.0%	9.0%
VanEck Australian Property ETF	3.0%	3.0%	3.0%
VanEck FTSE International Property ETF	2.0%	3.0%	3.0%
VanEck FTSE Global Infrastructure (hedged) ETF	6.0%	6.0%	4.0%

Asset/ETF	Balanced	Growth	High Growth
VanEck Gold Bullion ETF	3.0%	4.0%	5.0%
VanEck Australian Corporate Bond Plus ETF	7.0%	4.0%	0.0%
VanEck 5–10 Year Australian Government Bond ETF	4.0%	2.0%	0.0%
VanEck 10+ Year Australian Government Bond ETF	5.0%	2.5%	0.0%
VanEck Australian Floating Rate ETF	5.5%	3.0%	0.0%
VanEck Australian Subordinated Debt ETF	6.0%	2.5%	0.0%
VanEck Australian RMBS ETF	5.5%	3.0%	0.0%
Cash	5.0%	2.0%	0.0%
VanEck Emerging Income Opportunities Active ETF	2.0%	1.0%	0.0%

VE Hypothetical Benchmark Indices

Asset/ETF	Index
VanEck Australian Equal Weight ETF	MVIS Australia Equal Weight Index
VanEck Small Companies Masters ETF	MarketGrader Australia Small Cap 60 Index
VanEck MSCI International Quality ETF	MSCI World ex Australia Quality Index
VanEck MSCI International Value ETF	MSCI World ex Australia Enhanced Value Top 250 Select Index
VanEck MSCI International Small Companies Quality ETF	MSCI World ex Australia Small Cap Quality 150 Index
VanEck MSCI Multifactor Emerging Markets Equity ETF	MSCI Emerging Markets Multi-Factor Select Index (AUD)
VanEck Australian Property ETF	MVIS Australia A-REITs Index
VanEck FTSE International Property (AUD Hedged) ETF	FTSE EPRA Nareit Developed ex Australia Rental Index AUD Hedged
VanEck FTSE Global Infrastructure (AUD hedged) ETF	FTSE Developed Core Infrastructure 50/50 Hedged into AUD
VanEck Gold Bullion ETF	LBMA Gold Price PM
VanEck Australian Corporate Bond Plus ETF	Markit iBoxx AUD Corporates Yield Plus Index
VanEck 5–10 Year Australian Government Bond ETF	S&P/ASX iBoxx Australian & State Governments 5–10 Index
VanEck 10+ Year Australian Government Bond ETF	S&P/ASX iBoxx Australian & State Governments 10+ Index
VanEck Australian Floating Rate ETF	Bloomberg AusBond Credit FRN 0+Y Index
VanEck Australian Subordinated Debt ETF	iBoxx AUD Investment Grade Subordinated Debt Mid Price Index
VanEck Australian RMBS ETF	ICE 0.5-3 Year AAA Large Cap Australian RMBS Index
Cash	Bloomberg AusBond Bank Bill Index

The past performance of the indices which the VanEck ETFs aim to track is not indicative of the current or future performance of the ETFs.

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