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Quarterly report VanEck ETF Model Portfolios December 2023

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Overview of the December quarter

The Australian share market ended the year on a high note, with the ASX 300 gaining a remarkable 8.4% during the December quarter. This period witnessed a rally propelled by rate sensitive sectors, including REITs (+16%), while Materials (+13%) and Banks (+10%) also outperformed. The Healthcare sector also rebounded (+13%) after a terrible 3rd quarter (-9%). Energy (-9%) was the weakest performer as crude oil prices declined over the quarter.

In Australian dollar terms, global equity markets rose, as easing inflation data and falling long-term interest rates led to expectations that central banks would begin cutting rates in 2024. The MSCI AC World ex-Australia Index (AUD) rose 5% over the quarter and 23% over the calendar year. Emerging markets posted positive returns, but underperformed their developed market peers, with the MSCI Emerging Markets Index advancing 2.0% over the fourth quarter of 2023 and 9% for the year.

Real assets enjoyed a strong quarter, with the prospect of 2024 rate cuts boosting these sectors after they underperformed for most of the year. Within REITs, the S&P/ASX 300 A-REIT Accumulation Index and the FTSE EPRA/NAREIT Developed Ex Australia Index (AUD Hedged) returned 16.5% and 12.7%, respectively over the quarter. The Global Infrastructure sector (as represented by the FTSE Global Core Infrastructure 50/50 Index (AUD Hedged)) finished 8.5% higher for the quarter.

The RBA left rates on hold in its final meeting of 2023, although remained less dovish about rate cuts in 2024 compared to other central banks. Australian bond yields followed US yields lower over the month, with 10-year yields falling 45bps to 3.96%. US bond yields fell again in December, down 48bps, as markets reacted to Federal Reserve's flagging of potential rate cuts in the coming months. The Bloomberg AusBond Composite 0+ Years Index gained 3.8% for the quarter, while the Bloomberg Global Aggregate Index (AUD Hedged) rose 5.4%.

December 2023 quarterly portfolio performance

Period returns for periods ending 31 December 2023.

Period	Balanced	Growth	High Growth	Balanced-Income
3 Months (%)	4.83	5.38	5.87	5.15
6 Months (%)	3.96	4.65	5.23	4.49
1 Year (%)	10.92	13.77	16.43	9.21
3 Years (%) p.a	4.63	7.16	9.76	4.73
5 Years (%) p.a	7.40	9.81	12.27	-
7 Years (%) p.a	6.84	8.77	10.73	-

Source: Lonsec

Past performance is not a reliable indicator of future performance. The Model Portfolios are notional portfolios. Model Portfolio performance is calculated after management fees and before taxes.

Performance contributors and detractors for three months to 31 December 2023 – Balanced, Growth and High Growth

ETF	ASX Code	Balanced (%)	Growth (%)	High Growth (%)
VanEck Australian Equal Weight ETF	MVW	1.56	2.19	2.75
Vaneck MSCI International Quality ETF	QUAL	0.78	0.99	1.25
VanEck MSCI International Small Companies Quality ETF	QSML	0.13	0.03	0.17
Vanguard MSCI Index International Shares ETF	VGS	0.12	0.12	0.15
VanEck MSCI International Value ETF	VLUE	0.16	0.50	0.27
VanEck MSCI Multifactor Emerging Markets Equity ETF	EMKT	0.07	0.33	0.24
VanEck Australian Property ETF	MVA	0.44	0.44	0.44
VanEck FTSE International Property (Hedged) ETF	REIT	0.27	0.41	0.40
VanEck FTSE Global Infrastructure (Hedged) ETF	IFRA	0.52	0.51	0.51
iShares Core Composite Bond ETF	IAF	0.07	0.03	-
VanEck 5-10 Year Australian Government Bond ETF	5GOV	0.21	0.02	-
VanEck Australian Floating Rate ETF	FLOT	0.09	0.01	-
VanEck Australian Subordinated Debt ETF	SUBD	0.09	0.39	-
Vanguard International Fixed Interest Index (Hedged) ETF	VIF	0.64	0.27	-
VanEck 1-3 Month US Treasury Bond ETF	TBIL	-0.12	0.03	-
iShares Core Cash ETF	BILL	0.05	0.02	-

Source: Lonsec

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Performance contributors and detractors for three months to 31 December 2023 – Balanced-Income

ETF	ASX Code	Balanced-Income (%)
VanEck Australian Equal Weight ETF	MVW	0.94
Vanguard Australian Shares High Yield ETF	VHY	1.09
Vaneck MSCI International Quality ETF	QUAL	0.42
VanEck MSCI International Small Companies Quality ETF	QSML	0.13
VanEck MSCI International Value ETF	VLUE	0.14
SPDR S&P Global Dividend Fund	WDIV	0.29
VanEck Australian Property ETF	MVA	0.59
VanEck FTSE International Property (Hedged) ETF	REIT	0.40
VanEck FTSE Global Infrastructure (Hedged) ETF	IFRA	0.34
iShares Core Composite Bond ETF	IAF	0.06
VanEck 5-10 Year Australian Government Bond ETF	5GOV	0.12
VanEck Australian Corporate Bond Plus ETF	PLUS	0.30
VanEck Australian Floating Rate ETF	FLOT	0.02
VanEck Australian Subordinated Debt ETF	SUBD	0.09
Vanguard International Fixed Interest Index (Hedged) ETF	VIF	0.35
iShares Core Global Corporate Bond (AUD Hedged) ETF	IHCB	0.27
VanEck 1-3 Month US Treasury Bond ETF	TBIL	-0.18
iShares Core Cash ETF	BILL	0.05

Source: Lonsec

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Performance contributors and detractors for twelve months to 31 December 2023 – Balanced, Growth and High Growth

ETF	ASX Code	Balanced (%)	Growth (%)	High Growth (%)
VanEck Australian Equal Weight ETF	MVW	2.91	4.21	5.26
Vaneck MSCI International Quality ETF	QUAL	3.79	4.39	6.23
VanEck MSCI International Small Companies Quality ETF	QSML	0.14	0.04	0.19
Vanguard MSCI Index International Shares ETF	VGS	0.62	0.63	0.84
VanEck MSCI International Value ETF	VLUE	1.17	2.20	2.04
VanEck MSCI Multifactor Emerging Markets Equity ETF	EMKT	0.59	1.46	1.99
VanEck Australian Property ETF	MVA	0.37	0.38	0.37
VanEck FTSE International Property (Hedged) ETF	REIT	0.18	0.30	0.27
VanEck FTSE Global Infrastructure (Hedged) ETF	IFRA	0.02	0.01	0.01
iShares Core Composite Bond ETF	IAF	0.19	0.08	-
VanEck 5-10 Year Australian Government Bond ETF	5GOV	0.22	0.02	-
VanEck Australian Floating Rate ETF	FLOT	0.27	0.01	-
VanEck Australian Subordinated Debt ETF	SUBD	0.36	1.71	-
Vanguard International Fixed Interest Index (Hedged) ETF	VIF	0.59	0.28	-
VanEck 1-3 Month US Treasury Bond ETF	TBIL	-0.13	0.04	-
iShares Core Cash ETF	BILL	0.21	0.08	-

Source: Lonsec

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Performance contributors and detractors for twelve months to 31 December 2023 – Balanced-Income

ETF	ASX Code	Balanced-Income (%)
VanEck Australian Equal Weight ETF	MVW	1.75
Vanguard Australian Shares High Yield ETF	VHY	1.76
Vaneck MSCI International Quality ETF	QUAL	2.02
VanEck MSCI International Small Companies Quality ETF	QSML	0.14
VanEck MSCI International Value ETF	VLUE	1.14
SPDR S&P Global Dividend Fund	WDIV	0.38
VanEck Australian Property ETF	MVA	0.48
VanEck FTSE International Property (Hedged) ETF	REIT	0.27
VanEck FTSE Global Infrastructure (Hedged) ETF	IFRA	0.01
iShares Core Composite Bond ETF	IAF	0.15
VanEck 5-10 Year Australian Government Bond ETF	5GOV	0.13
VanEck Australian Corporate Bond Plus ETF	PLUS	0.63
VanEck Australian Floating Rate ETF	FLOT	0.02
VanEck Australian Subordinated Debt ETF	SUBD	0.36
Vanguard International Fixed Interest Index (Hedged) ETF	VIF	0.33
iShares Core Global Corporate Bond (AUD Hedged) ETF	IHCB	0.24
VanEck 1-3 Month US Treasury Bond ETF	TBIL	-0.19
iShares Core Cash ETF	BILL	0.20

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Performance contributors and detractors for three years to 31 December 2023 – Balanced, Growth and High Growth

ETF	ASX Code	Balanced (%)	Growth (%)	High Growth (%)
VanEck Australian Equal Weight ETF	MVW	2.15	3.16	3.98
VanEck MSCI International Quality ETF	QUAL	2.04	3.22	3.55
VanEck MSCI International Small Companies Quality ETF	QSML	0.05	0.01	0.07
Vanguard MSCI Index International Shares ETF	VGS	0.64	0.81	1.11
VanEck MSCI International Value ETF	VLUE	0.43	0.56	0.80
VanEck MSCI Multifactor Emerging Markets Equity ETF	EMKT	0.20	0.52	0.75
VanEck Australian Property ETF	MVA	0.20	0.22	0.20
VanEck FTSE International Property (Hedged) ETF	REIT	0.05	0.11	0.06
VanEck FTSE Global Infrastructure (Hedged) ETF	IFRA	0.14	0.14	0.14
iShares Core Composite Bond ETF	IAF	-0.72	-0.37	-
VanEck 5-10 Year Australian Government Bond ETF	5GOV	0.08	0.01	-
VanEck Australian Floating Rate ETF	FLOT	0.12	0.00	-
VanEck Australian Subordinated Debt ETF	SUBD	0.14	0.51	-
Vanguard International Fixed Interest Index (Hedged) ETF	VIF	-0.65	-0.32	-
VanEck 1-3 Month US Treasury Bond ETF	TBIL	-0.04	0.01	-
iShares Core Cash ETF	BILL	0.09	0.04	-

Source: Lonsec

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Performance contributors and detractors for three years to 31 December 2023 – Balanced-Income

ETF	ASX Code	Balanced-Income (%)
VanEck Australian Equal Weight ETF	MVW	1.33
Vanguard Australian Shares High Yield ETF	VHY	1.89
VanEck MSCI International Quality ETF	QUAL	1.15
VanEck MSCI International Small Companies Quality ETF	QSML	0.05
VanEck MSCI International Value ETF	VLUE	0.42
SPDR S&P Global Dividend Fund	WDIV	0.78
VanEck Australian Property ETF	MVA	0.23
VanEck FTSE International Property (Hedged) ETF	REIT	0.08
VanEck FTSE Global Infrastructure (Hedged) ETF	IFRA	0.18
iShares Core Composite Bond ETF	IAF	-0.39
VanEck 5-10 Year Australian Government Bond ETF	5GOV	0.05
VanEck Australian Corporate Bond Plus ETF	PLUS	-0.13
VanEck Australian Floating Rate ETF	FLOT	0.01
VanEck Australian Subordinated Debt ETF	SUBD	0.14
Vanguard International Fixed Interest Index (Hedged) ETF	VIF	-0.36
iShares Core Global Corporate Bond (AUD Hedged) ETF	IHCB	-0.38
VanEck 1-3 Month US Treasury Bond ETF	TBIL	-0.07
iShares Core Cash ETF	BILL	0.09

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ETF performance

Period returns for periods ending 31 December 2023

ETF	ASX Code	3 Months (%)	6 Months (%)	1 Year (%)	3 Years (%) p.a.	5 Years (%) p.a.	7 Years (%) p.a.
VanEck Australian Equal Weight ETF	MVW	6.49	5.66	12.20	8.81	10.18	8.68
Vanguard Australian Shares High Yield ETF	VHY	7.12	8.14	11.44	12.34	11.60	8.40
Vaneck MSCI International Quality ETF	QUAL	6.14	6.25	31.29	13.28	17.06	15.09
VanEck MSCI International Small Companies Quality ETF	QSML	6.96	7.63	26.90	-	-	-
VanEck MSCI International Value ETF	VLUE	2.21	4.58	17.03	-	-	-
VanEck MSCI Multifactor Emerging Markets Equity ETF	EMKT	2.32	6.05	20.03	6.41	7.73	-
SPDR S&P Global Dividend Fund	WDIV	5.75	5.33	7.15	8.75	4.88	4.94
VanEck Australian Property ETF	MVA	14.36	8.29	10.11	3.83	5.14	5.66
VanEck FTSE International Property (Hedged) ETF	REIT	13.48	6.97	7.68	1.39		
VanEck FTSE Global Infrastructure (Hedged) ETF	IFRA	8.82	0.24	0.10	3.77	4.96	5.23
VanEck 5-10 Year Australian Government Bond ETF	5GOV	4.77	-	-	-	-	-
VanEck Australian Floating Rate ETF	FLOT	1.26	2.55	4.83	1.97	2.06	-
VanEck Australian Subordinated Debt ETF	SUBD	1.73	3.68	7.14	3.09		-
VanEck Australian Corporate Bond Plus ETF	PLUS	4.04	5.30	8.30	-1.67	1.79	-
Vanguard International Fixed Interest Index (Hedged) ETF	VIF	5.14	2.45	4.65	-3.80	-0.19	0.57
VanEck 1-3 Month US Treasury Bond ETF	TBIL	-4.18	0.13	-	-	-	-
iShares Core Cash ETF	BILL	1.07	2.17	3.96	1.73	1.41	-

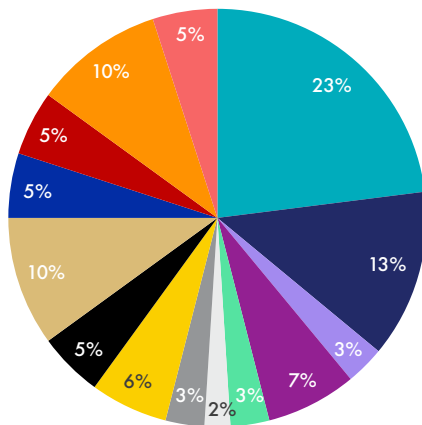
Source: Lonsec

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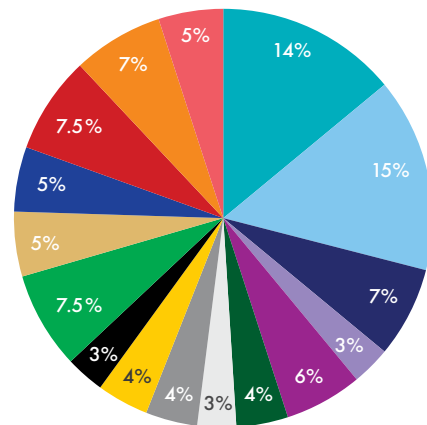
VanEck ETF Model Portfolios

Balanced



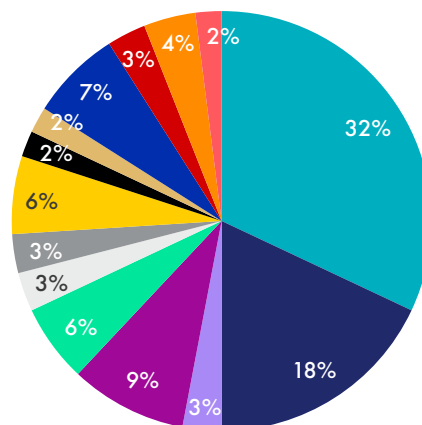
Management fees[^]: **0.31% p.a.**

Balanced - Income



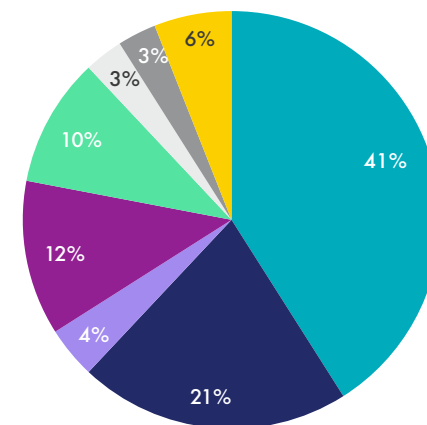
Management fees[^]: **0.29% p.a.**

Growth



Management fees[^]: **0.35% p.a.**

High Growth



Management fees[^]: **0.40% p.a.**

- **MVW** VanEck Australian Equal Weight ETF
- **VHY** Vanguard Australia Shares High Yield ETF
- **QUAL** VanEck MSCI International Quality ETF
- **QSMML** VanEck MSCI International Small Companies Quality ETF
- **VLUE** VanEck MSCI International Value ETF
- **SUBD** VanEck Australian Subordinated Debt ETF
- **EMKT** VanEck MSCI Multifactor Emerging Markets Equity ETF
- **TBIL** VanEck 1-3 Month US Treasury Bond ETF
- **VIF** Vanguard International Fixed Interest Index (Hedged) ETF

- **MVA** VanEck Australian Property ETF
- **REIT** VanEck FTSE International Property (Hedged) ETF
- **IFRA** VanEck FTSE Global Infrastructure (Hedged) ETF
- **WDIV** SPDR S&P Global Dividend Fund
- **PLUS** VanEck Australian Corporate Bond Plus ETF
- **5GOV** VanEck 5-10 Year Australian Government Bond ETF
- **BILL** iShares Core Cash ETF
- **FLOT** VanEck Australian Floating Rate ETF

Management fees are estimates as of 31 December 2023 calculated as a weighted average of the management fees disclosed in the product disclosure statements for the underlying ETFs in the model portfolio*.

Risk profile

Risk profile for periods ending 31 December 2023 – Balanced, Growth and High Growth

ETF	Asset Category	ASX Code	Balanced (%)	Growth (%)	High Growth (%)
VanEck Australian Equal Weight ETF	Growth	MVW	23	32	41
VanEck MSCI International Quality ETF	Growth	QUAL	13	18	21
VanEck MSCI International Small Companies Quality ETF	Growth	QSML	3	3	4
VanEck MSCI International Value ETF	Growth	VLUE	7	9	12
VanEck MSCI Multifactor Emerging Markets Equity ETF	Growth	EMKT	3	6	10
VanEck FTSE International Property (Hedged) ETF	Growth	REIT	2	3	3
VanEck Australian Property ETF	Growth	MVA	3	3	3
VanEck FTSE Global Infrastructure (Hedged) ETF	Growth	IFRA	6	6	6
VanEck 5-10 Year Australian Government Bond ETF	Income	5GOV	5	2	-
VanEck Australian Floating Rate ETF	Income	FLOT	10	2	-
VanEck Australian Subordinated Debt ETF	Income	SUBD	5	7	-
VanEck 1-3 Month US Treasury Bond ETF	Income	TBIL	5	3	-
Vanguard International Fixed Interest Index (Hedged) ETF	Income	VIF	10	4	-
iShares Core Cash ETF	Income	BILL	5	2	-
Total Income Assets			40	20	-
Total Growth Assets			60	80	100
Total Weight			100	100	100

Risk profile for periods ending 31 December 2023 – Balanced Income

ETF	Asset Category	ASX Code	Balanced-Income (%)
VanEck Australian Equal Weight ETF	Growth	MVW	14
Vanguard Australian Shares High Yield ETF	Growth	VHY	15
VanEck MSCI International Quality ETF	Growth	QUAL	7
VanEck MSCI International Small Companies Quality ETF	Growth	QSML	3
VanEck MSCI International Value ETF	Growth	VLUE	6
SPDR S&P Global Dividend Fund	Growth	WDIV	4
VanEck FTSE International Property (Hedged) ETF	Growth	REIT	3
VanEck Australian Property ETF	Growth	MVA	4
VanEck FTSE Global Infrastructure (Hedged) ETF	Growth	IFRA	4
VanEck 5-10 Year Australian Government Bond ETF	Income	5GOV	3
VanEck Australian Corporate Bond Plus ETF	Income	PLUS	7.5
VanEck Australian Floating Rate ETF	Income	FLOT	5
VanEck Australian Subordinated Debt ETF	Income	SUBD	5
VanEck 1-3 Month US Treasury Bond ETF	Income	TBIL	7.5
Vanguard International Fixed Interest Index (Hedged) ETF	Income	VIF	7
iShares Core Cash ETF	Income	BILL	5
Total Income Assets			40
Total Growth Assets			60
Total Weight			100

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