VanEck®

Access the opportunities.

# VanEck ViewPoint™

## The Waiting Game

July 2024

Andy Warhol once said, "You need to let the little things that would ordinarily bore you suddenly thrill you." And that is what markets have been doing this past quarter, every percentage point outside of consensus, and every basis point change has been thrilling markets. But if you look back over the past quarter, even the past half year, the minimal changes in the data would normally bore market participants.

It's what lies beneath that markets are waiting for, and the market is hoping the data will indicate what that could be, and in what form. By the end of 2024, more than 80 countries, and more than half the world's population will have been involved in an election. The outcome of many is uncertain, except perhaps the UK general election. What is unknown is the number of seats the Tories will lose, could the Liberal Democrats be the opposition party?

Politics aside, markets must also endure the landings central banks around the world are trying to manoeuvre. The US Job Openings and Labor Turnover Survey (JOLTS) in June, came in below expectations and the long end of the curve dropped, all but eliminating the no-landing scenario. The US Federal Reserve (Fed) will be hoping the US consumer and US business earnings can help them navigate the soft landing they covet.

In Europe, despite inflation being well above target the European Central Bank (ECB) has already cut rates. This is in response to some European economies already falling into recession. Locally, analysing the GDP numbers indicates that we are headed for a recession too.

Global carbon futures were the best-performing asset class over the quarter reflecting positive political sentiment, particularly in the UK. Emerging markets equities benefited from a weaker US dollar, while US equity rose on the AI boom. The IT sector was the star globally.

Mid-and small-caps weighed down Australian equities. Strength in the financials sector, particularly the big banks, ensured that the local market posted only a narrow loss over the quarter. A new rate regime and a weaker currency dragged down Japanese equities and that was the worst-performing equity market last quarter.

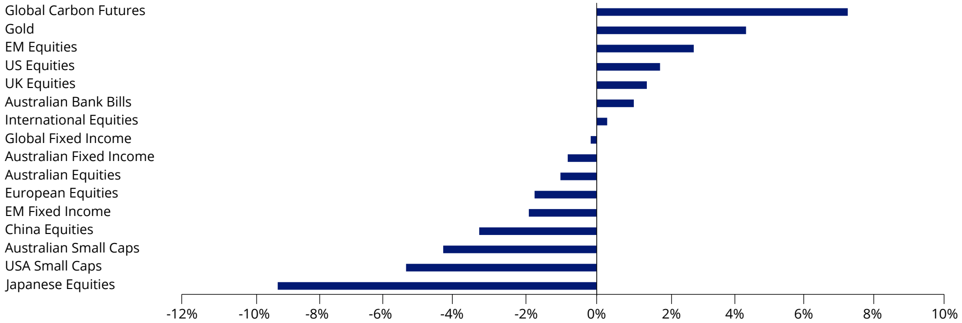
Waiting is hard, and waiting for outcomes you cannot anticipate is much harder. No one knows the outcome of November. No one knows which direction inflation will move next and each geography has unique inflation issues. Central bank divergence is happening.

For the second half of 2024, investors should continue to approach risk assets selectively. For Australian equities, we would caution against over-exposure to companies deriving their earnings from households and focus on earnings resiliency, strong balance sheets and positive free cash flow. Earnings season will be a confession for businesses on profit margins and, importantly, how interest rates and inflation have impacted businesses. On a relative fundamental basis, emerging markets in both debt and equity complexes, offer a greater risk premia. We could still see the US dollar come off and gold climbing to new heights. Despite a strong quarter, gold miners are still undervalued relative to the price of gold, and we think strong cash flows should see them continue to outperform the yellow metal into the backend of 2024.

Charlie Munger once noted, "Waiting helps you as an investor and a lot of people just can't stand to wait." We think now is a time to wait rather than trying to time the market. Peter Lynch would have us remember, "Far more money has been lost by investors trying to anticipate corrections than lost in the corrections themselves."

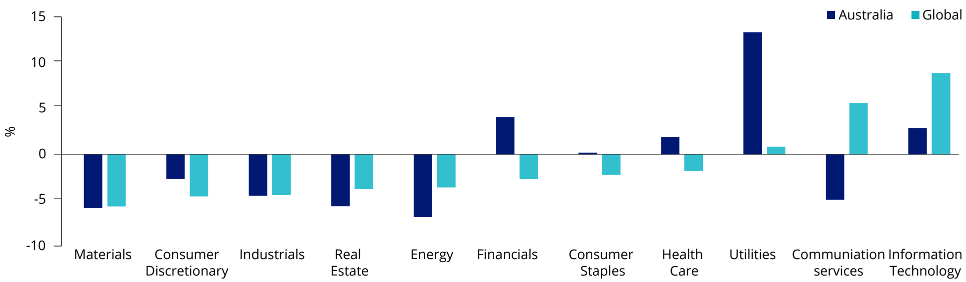
***"The right word may be effective, but no word was ever as effective as a rightly timed pause." — Mark Twain***

## Chart 1: Mainstream asset class returns for the quarter




Source: Bloomberg, 1 April 2024 to 30 June 2024, returns in Australian dollars. Global Carbon Futures is ICE Global Carbon Futures Index, US Equities is S&P 500 Index, International Equities is MSCI World ex Australia Index, European Equities is MSCI Europe Index, UK Equities is FTSE 100 Index, Australian Equities is S&P/ASX 200 Accumulation Index, Australian Small Caps is S&P/ASX Small Ordinaries Index, Gold is Gold Spot US$/oz, US Small Caps is Russell 2000 Index, China Equities is CSI 300 Index, Global Fixed Income is Bloomberg Global Aggregate Bond Hedged AUD Index, Australian Bank Bills is Bloomberg AusBond Bank Bill Index, Australian Fixed Income is Bloomberg AusBond Composite 0+ yrs Index, EM Fixed Income is 50% J.P. Morgan Emerging Market Bond Index Global Diversified Hedged AUD and 50% J.P. Morgan Government Bond-Emerging Market Index Global Diversified, EM Equities is MSCI Emerging Markets Index, Japanese Equities is Nikkei 225 Index. Past performance is not a reliable indicator of future performance.

## Chart 2: Global and Australian equity sectors quarterly performance




Source: Bloomberg, 1 April 2024 to 30 June 2024., returns in Australian dollars. Utilities is MSCI World Utilities Index / S&P/ASX 200 Utilities Index, Industrials is MSCI World Industrials Index / S&P/ASX 200 Industrials Index, Materials is MSCI World Materials Index / S&P/ASX 200 Materials Index, Consumer Staples is MSCI World Consumer Staples Index / S&P/ASX 200 Consumer Staples Index, Consumer Discretionary is MSCI World Consumer Discretionary Index / S&P/ASX 200 Consumer Discretionary Index, Financials is MSCI World Financials Index / S&P/ASX 200 Financials Index, Energy is MSCI World Energy Index / S&P/ASX 200 Energy Index, Healthcare is MSCI World Heath care Index / S&P/ASX200 Heath care Index, Telecommunications is MSCI World Telecommunications Index / S&P/ASX 200 Telecommunications Index, Information Technology is MSCI World Information Technology Index / S&P/ASX 200 Information Technology Index, Real Estate is MSCI World REIT Index / S&P/ASX 200 AREIT Index. Past performance is not a reliable indicator of future performance.

# Sweating the small stuff

Another quarter, another three months of markets tracking every wiggle of US price and growth data. And, in terms of what has emerged, there has not been a lot of change.

In the meantime, bigger things have been afoot below the US macro surface and geographically away from the US. This includes real macro risks here, in Australia.

Looking at the US inflation number, the market did get ahead of itself in the last quarter of 2023, when it appeared it was falling faster than expected. The first quarter's number was a nasty surprise, and the most recent print was one of these little wiggles. It seems as if inflation has stalled. So, absent a meaningful US downturn, inflation will remain a significant distance from the Fed's two per cent target. While the extreme COVID supply ''pig-in-a-python'' surge has passed, underlying tightness remains.

The past quarter has also seen some slowing in growth indicators. Both first-quarter GDP and, if you squint, labour market data have been marginally soft. This probably, in part, reflects lagged impacts of (market) interest rate back-ups in the second half of last year.

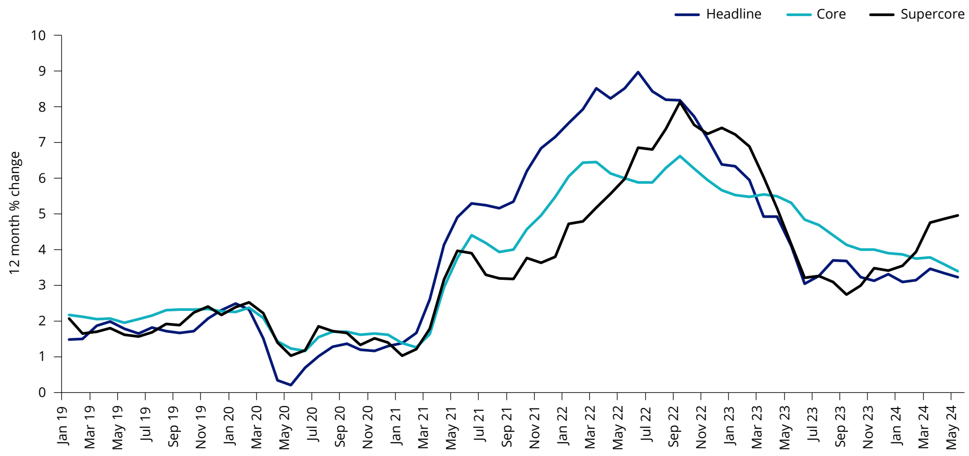
And the rest of the softish data has been the usual short-term interplay between expectations and actual. This is noticeable in sentiment-driven indicators. For example, the University of Michigan's preliminary April Consumer Sentiment Index dropped to 77.9 from 79.4 in the previous month and was lower compared to the median estimate by economists of 79. The sentiment index implied that consumers estimated prices would climb at an annual rate of 3.1% year-on-year, up from the 2.9% expected a month earlier, higher than earlier in the year.

Later in the month, Q1 2024 preliminary annualised quarter-over-quarter GDP came in at 1.6%, well below expectations of 2.5%, while the Core Personal Consumption Expenditures Index was up 2.8% year-over-year versus estimates of 2.7%.

Another factor suggesting downplaying quarter-by-quarter wiggles is the likely COVID hangover on seasonal adjustment - essentially a sophisticated moving average.

## Chart 3: US CPI

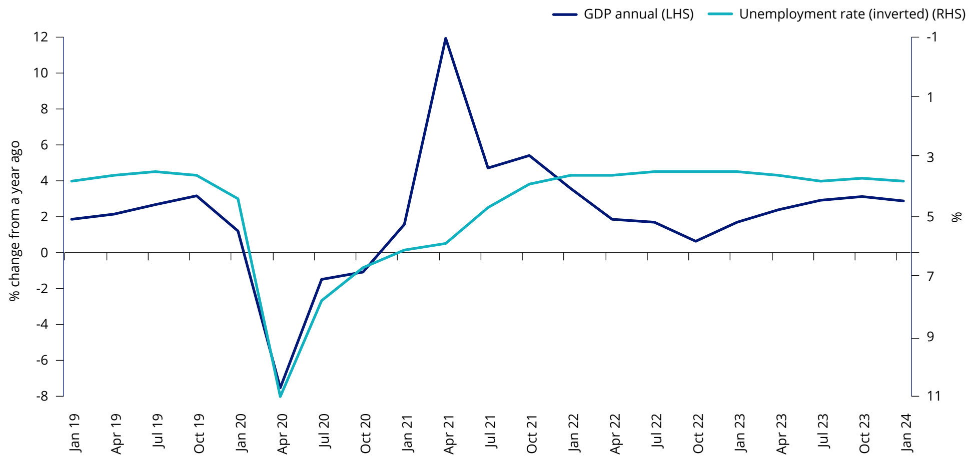
Flatlining above target




Source: Federal Reserve Bank of St. Louis.

## Chart 4: US growth and unemployment

Much ado about nothing?




Source: Federal Reserve Bank of St. Louis.

# Not the small stuff

More broadly, there has been little reason to expect a slowing in the US. With fiscal spigots still open and real incomes modestly gaining, the economy for the most part, seems to be coping with interest rates at current levels.

US equity markets have been sideways, at best, if you remove the big companies benefiting from the AI revolution. Meanwhile, the market's assessment of the Fed's rate expectations looks fair. The Fed has made it clear they'd like to (modestly) ease but, into election season, the data has not justified it.

Of course, the election and the aftermath of it, is one of the things in the "not the small stuff" (NTSS) category.

It seems markets don't seem to be interested in the outcome of the US election yet, or at least don't know what to do about it, or indeed have an idea which way it could go so it's difficult to hedge.

Beyond the US, macro looks better. While China macro dynamics remain opaque, and its government seems determined to salami slice its policy response, PMIs across the rest of the globe are suggesting better times ahead.

On top of this, Europe has already seen some rate cuts.

With euro area inflation still comfortably away from target, the ECB cut was surprisingly early, perhaps reflecting fears of weak growth and/or the interaction of politics and government finances. If the former, we will not see another cut until autumn at the earliest. The latter is, of course, another from the NTSS category.

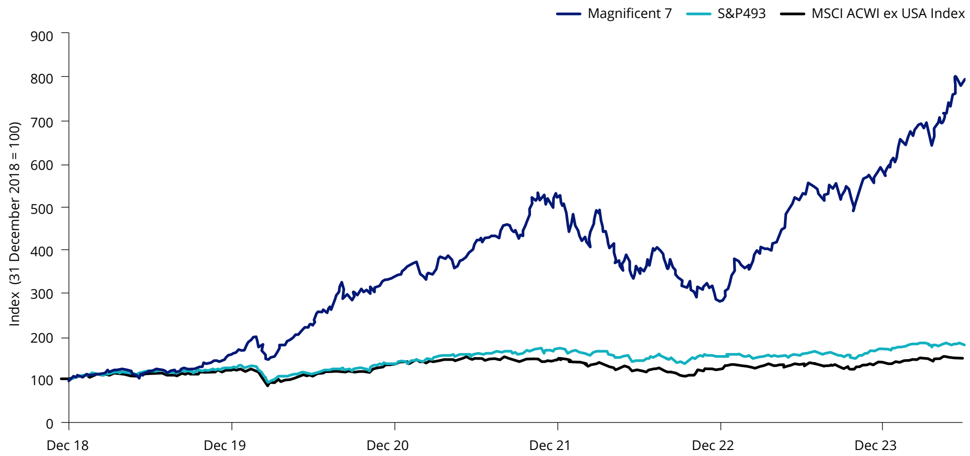
Over the years, when financial markets have been faced with political or geopolitical event risk, it has shown a propensity to ignore, ignore, ignore and then panic.

Or to panic early, then get complacent and then get bored.

There are a few valid reasons for this. Affairs of the state and geopolitics are not areas of market expertise; even if markets are worried, it's not always clear what, if any, worthwhile or cost-effective hedges are available - finally, the Chuck Prince effect, "as long as the music is playing, you've got to get up and dance."

**Chart 5: US equities: The Magnificent 7 versus S&P 493 v rest of the world**

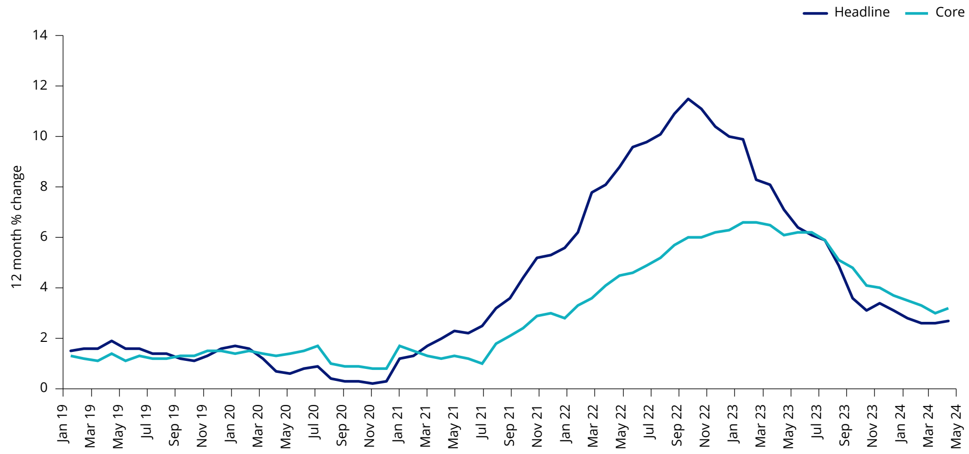
Everything else has been sideways at best




Source: Bloomberg, S&P, MSCI, UBS. 31 December 2018 = Rebased to 100.

**Chart 6: European inflation**

European Central Bank (ECB) cuts before target assured




Source: ECB.

# Not sweating the not small stuff just yet

Recall back to 2007, as the GFC hit, governments made undersized fiscal adjustments, launching the great stagnation and then they reversed them rapidly. Not to get it wrong the next time, as COVID hit, governments, fighting the last war, responded with huge fiscal packages, then reversed them only slowly and only partially.

In addition to the inflationary macro impact, this has left higher government debt burdens. Which is a thing that doesn't matter, until it does.

A few factors are making it a current risk:

- the US election;
- European elections; and
- Japan's move away from zero rates.

There are ongoing factors that bring it to the fore too:

- Structurally higher funding rates;
- Ukraine war costs;
- A destabilised Middle East; and
- costs of decarbonisation.

The US election will focus market attention on the longer-term fiscal outlook. And neither candidate looks likely to do anything constructive about it. Whoever wins, will soon have to decide what to do with the large 2017 tax cuts. These tax cuts were a major contributing factor to the equity market rally of recent years, but they are slated to expire next year.

It seems unlikely either candidate will let them expire, which is a further problem for the fiscal outlook, since the assumed expiry means they're not costed in the current unpleasant fiscal outlook.

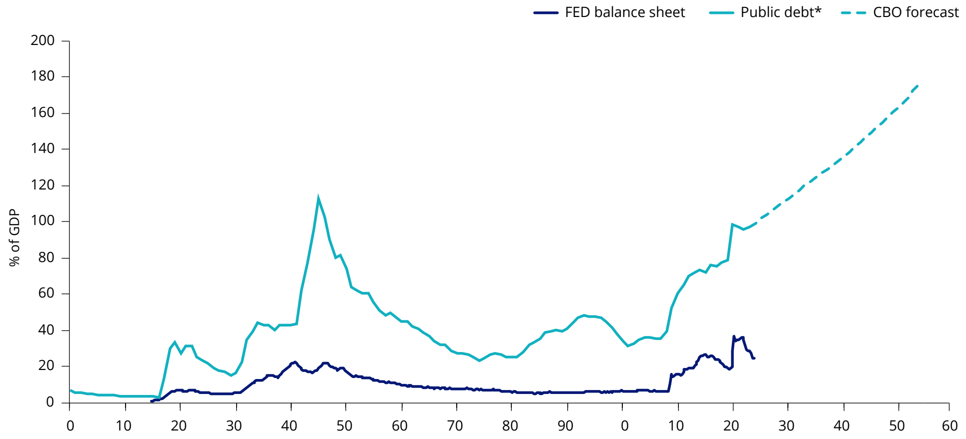
Candidate Trump might prune President Biden's IRA spending, (though it's not easy to see how to wind back grants or tax benefits already granted). On the other hand, Trump is kite-flying far deeper tax cuts, funded by tariffs. It's arithmetically impossible to see how tariffs can be raised by more than enough to cover these costs, without completely disrupting the economy.

In Europe, the rise of parties associated with the Far-Right, many of which have anti-tax agendas, interacts badly with Maastricht rules on government debt and deficits. The rules, at their bluntest, are straightforward: deficits are to be contained below 3% of GDP and debt held below 60%. There is scope to recognise progress towards these goals.

In the wake of a strong showing by the Far-Right in France, French government debt spreads have already begun to widen. With a deficit of 5.5% of GDP and a debt burden of 110% of GDP, it's hard to see France meeting the targets anytime soon. So, France will be relying on progress and EU goodwill. Neither would seem likely with a Far-Right, anti-Europe government.

### Chart 7: US Public debt and Fed balance sheet, % of GDP

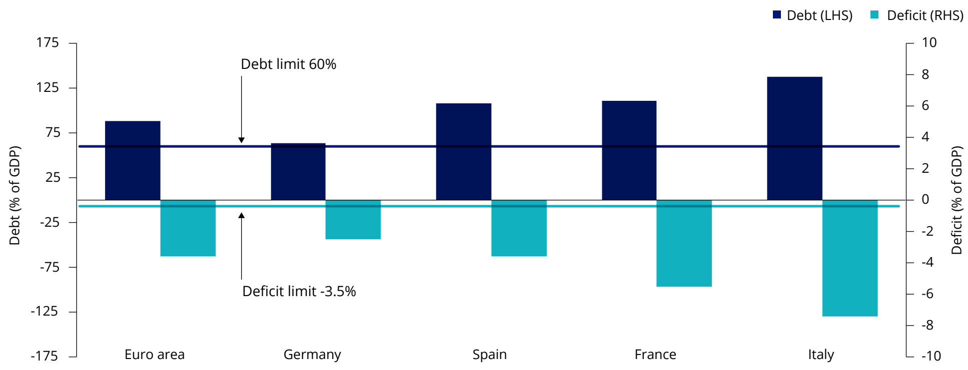
Higher debt burdens are coming to the fore




Source: Federal Reserve Bank of St. Louis, National Bureau of Economic Research, Congressional Budget Office (CBO).
* Public debt held by the private sector.

### Chart 8: Government debts and deficits FY2023

Many countries failing Maastricht rules




Source: Eurostat.

# More stuff elsewhere leads to more debts and deficits

With the Japanese economy looking a little more robust (note the PMIs), inflation gains maintaining, and the yen still on the ropes, it's only a matter of time before rates rise again there.

With Japanese banks and insurers wearing mark-to-mark losses on foreign bonds, only somewhat ameliorated by a weak currency, it's only a matter of time (and a yen panic-up) before that money starts heading home.

With its issues at home, China appears to be increasingly reluctant to fund the West, which leads us to wonder, who is going to fund all that debt and all those deficits?

And it's not just government debts that need funding – parts of the global financial sector remain tenuous, with flighty deposits and non-public asset impairments in the banking system. Other concerns include the unknown linkages to non-banks, over whom banks may have limited control – we wonder if the market learnt from the Greensill Capital disaster? We also think there could be a clock ticking on closed-end private equity funds in need of fresh asset buyers. To quote Chuck Prince again, "When the music stops, in terms of liquidity, things will be complicated."

Just how do you hedge WW3?

On the ongoing risks, markets are either complacent, forgetful or stuck for hedges.

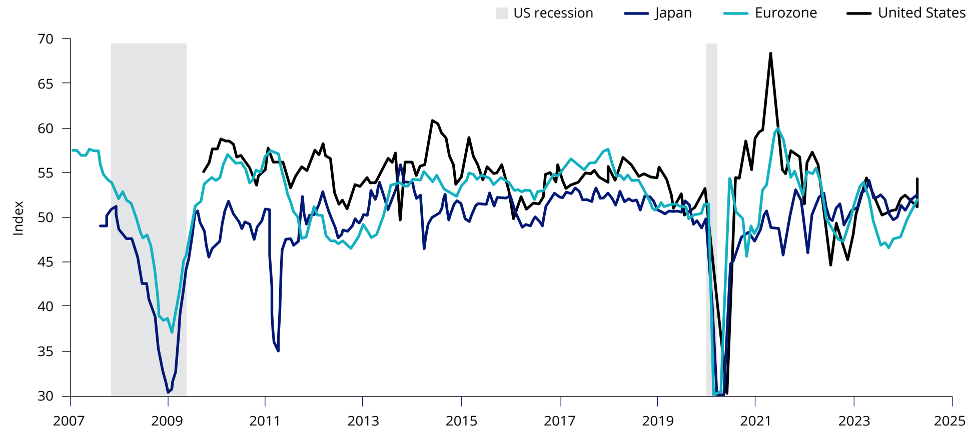
As war in Ukraine escalates, with Russia's slow-grinding advance offset by increasing involvement from NATO nations, the risks of a devastating misstep continue to escalate.

Its hard to say how to hedge. Perhaps it's part of US dollar strength. But overall equity markets aren't trading cheap and nor is VIX.

Nor does trouble in the Middle East show much sign of abating. Surprisingly oil markets remain remarkably calm.

**Chart 9: Composite (manufacturing and services) output PMI**

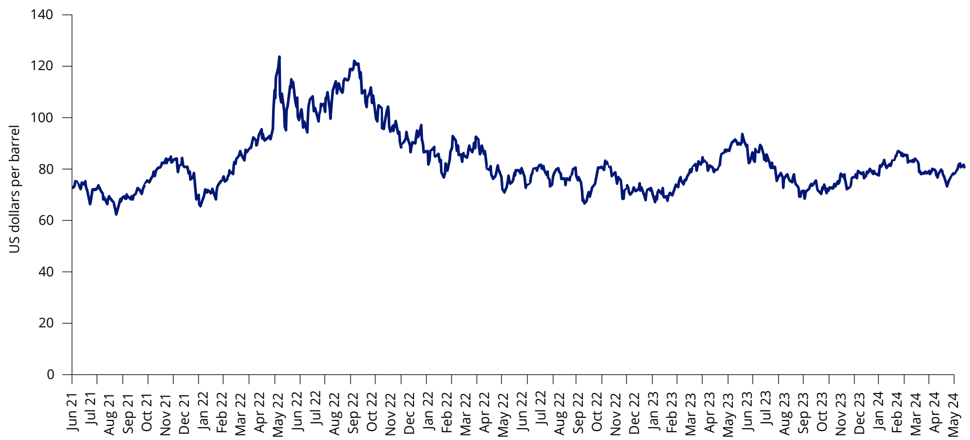
Overall Japan, Europe and the US look robust




Source: S&P Global, National Bureau of Economic Research.
*Interest payments as % of debt outstanding. Adjusted for imputed interest payments.

**Chart 10: WTI crude futures (US dollars)**

Despite trouble in the Middle East, over the last three months, oil's price has barely moved




Source: Bloomberg, National Bureau of Economic Research.

# Gold is reaching new highs

While oil's price hasn't changed, gold's price continues to hit new all-time highs. Changing expectations about the Fed's monetary policy path was the major driver of gold prices in 2023. This year, however, we are starting to see a decoupling between Fed path expectations and gold. The odds and number of cuts expected in 2024 have been reduced. We think concerns about inflation and debt are driving the yellow metal's price higher.

Expectations for slower economic growth and higher inflation are generally supportive of gold prices. A pullback of the broader equity markets and rising global geopolitical tensions provide further support, as investors turn to gold as a safe-haven and portfolio hedge/diversifier.

Upcoming US and UK elections add to investor uncertainty. The US faces an uncertain outcome in all three of its houses. Irrespective of the result, the US government will have to manage its US$34 trillion-plus of debt (over 120% of GDP).

US debt could be problematic for lawmakers as many investors steer clear of US treasury bonds fearing that the rising US debt could lead to more inflation.

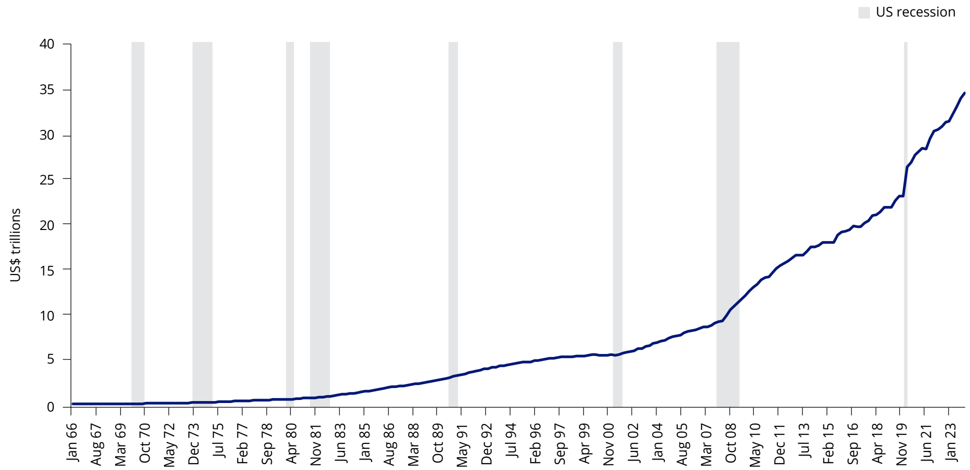
When a government accumulates a significant amount of debt, it may resort to measures such as printing more money, or increasing government spending, and these potentially lead to inflationary pressures. With inflation still weighing on investors' minds, gold could also be used a hedge against the return of inflation.

One area of opportunity, we think, is gold miners. The rise of the gold price in 2023 was not matched by the returns of gold miners which lagged the performance of the yellow metal. This is unusual because typically in the past, the price of gold miners rose more than the increase in gold prices, as gold miners will add their margins to gold production normally when the price of gold increases. As a result of this disconnect in 2023, gold miners were trading well below historical averages relative to the price of gold. Despite a noticeable pullback over the past three months, we still think there may still be plenty of runway for gold stocks as they reclaim their role as a leveraged play on the gold price. Our expectations of a sector re-rating are supported by continued strength in the gold price and are anchored to generally solid company fundamentals.

All else being equal, a gold price forecast of US$2,300 per ounce for Q2 2024, which is in line with the average spot price for this quarter, should result in higher earnings and cash flow generation for the industry in Q2 compared to Q1, when the spot gold price averaged about US$2,070 per ounce. Another strong earnings season for the sector should support further increases in valuation multiples assigned to gold equities.

**Chart 11: US total public debt**

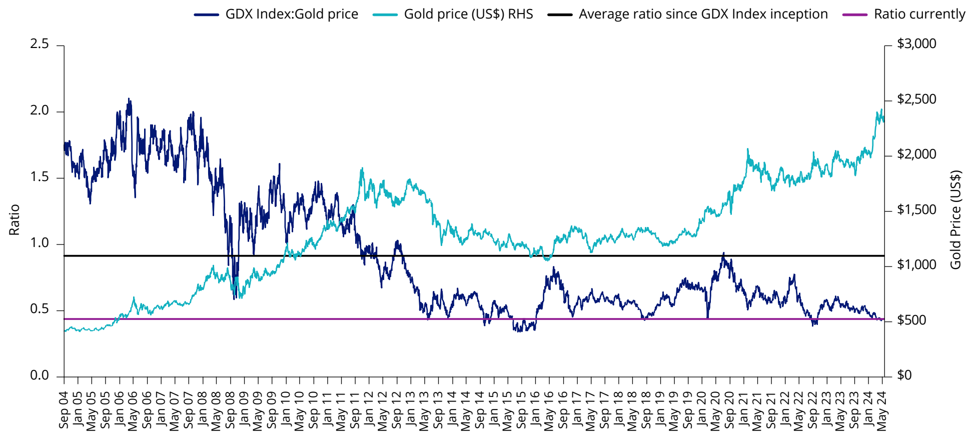
Excessive debt levels are supportive of gold




Source: Federal Reserve Bank of St Louis. Shaded areas indicate US recessions.

**Chart 12: Despite a recent rally, gold miners' value relative to bullion is still low**

Ratio of gold miners to gold bullion price




Source: VanEck, Bloomberg as of the end of June 2024. GDX Index is NYSE Arca Gold Miners Index. All returns are in US dollars.

# Emerging markets are becoming the new developed markets

Weighed down by deficits and debt, developed market (DM) bonds continue to underperform emerging markets (EM) bonds, as has been happening for 20 years now. Underlining the fact that, at least this year, the simple fact of the US rates market pricing out four rate cuts this year was the performance driver.

EM growth continues through now two decades of these rate fluctuations, and the roots of this growth are low debt, independent central banks and good structural policy, which just don't go away quickly.

The driving factor of emerging markets has been what is happening in the US. Rates and inflation. So far this year, the US rates discussion has been dominated by inflation, whose decline was behind last year's rate rallies and whose recent stickiness was behind this year's rates selloff.

Now the discussion is being driven by growth concerns. Many emerging market economies are also functions of US growth. Mexico comes to mind, as well as broader Latin American markets. EM, of course, has many companies and economies that are not especially linked to the US. Many are linked to the fortunes of China, commodity prices, or internal economic reform. This underlies the rationale to be selective in EM.

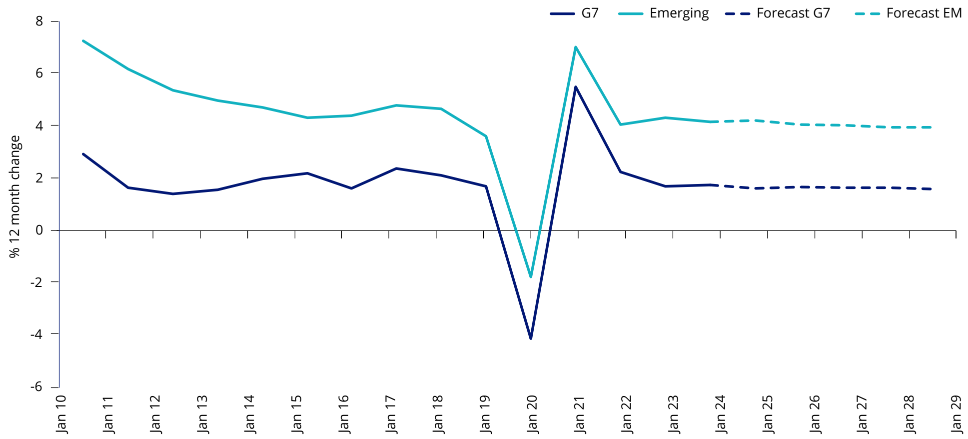
DM markets are not the only ones facing elections. There have been a few of note in the past quarter in EM, and news outlets in DM have created plenty of headlines about the EM political "noise". India's election was supposed to be bad. It turns out it wasn't, and the local stock market there set new highs.

In South Africa, the financial media emphasised the ruling ANC's drop below a 50% vote-take, when in fact, that was the result expected by the market. It turns out a national unity government in South Africa is positive, with a major unity party being market-friendly.

However, in Mexico, there is potentially bad news, but this speaks more to local risk than EM risk. The ruling Moreno party in Mexico outperformed to the extent that it can now make constitutional changes, so a new risk scenario has been injected, and it may catch many off guard.

**Chart 13: Gross domestic product annual change**

EM still outperforming DM growth




Source: IMF, Bloomberg. Consensus forecast.

**Chart 14: CME Mexican peso net non-commercial futures positions**

The market moved but still remains long (now-riskier) Mexico


Source: Bloomberg. Consensus forecast.

# Nascent traction in China

China's rebound story is still alive, but it comes with qualifiers, so far it is shallow, uneven and mixed. The consensus forecast for China's 2024 real GDP growth has been raised to a respectable 4.9%, which is 0.1% shy of the official growth target. However, China's economic surprise index dropped back to zero, and, importantly, China's consumer confidence remains at depressed levels, despite the fact China has been easing for quite some time now.

The emphasis on supply-side stimulus helped to propel China's industrial production above the pre-pandemic trajectory. However, a lack of demand-side stimulus and the housing sector turmoil keep consumption on a lower growth trajectory.

We find it encouraging that China is changing the official approach to real estate, turning its focus to unfinished and unsold houses (de-stocking), which can then be converted to affordable housing or rented out. The announced policy moves were broad, removing the mortgage rate floor, lowering downpayment ratios, local governments buying unsold housing units, and a new re-lending facility at the central bank. The initial reaction was positive, but not everybody was happy about the program's size (too small) and the fact that home purchases will be carried out by local authorities, rather than the central government.

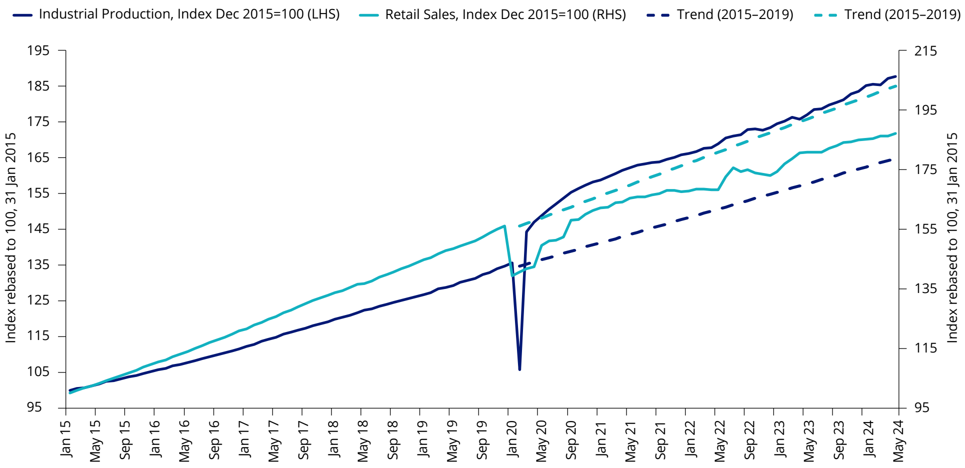
The counterargument to this is that this is likely to be Stage 1 of a long process that requires a lot of prep work to produce its desired results. The problem is that the market remains skeptical after several false starts, demanding a more robust/detailed policy follow-through. This explains why China's market's rally is more cautious and slower than the "explosive" reopening trade.

One area of policy "continuity" is that China does not seem to be in any rush to cut interest rates. The reason is simple. The Chinese renminbi's stability is an important policy objective, and the currency does react to the interest rate differential between China and the US because of this managed stability. Still, the differential is already deeply negative, and further room for policy easing on China's side might depend on the timing of the US Federal Reserve's rate cuts.

In regards to arguments that the weaker renminbi will boost Chinese exports, exports are doing quite well now, but devaluation could hurt household balance sheets, which would be counter to another policy objective, income rebalance.

**Chart 15: China industrial production and retail sales**

Industrial production is above trend, while retail sales still below trend




Source: Bloomberg.

**Chart 16: J.P. Morgan's CEMBI HY+ China Index**

The latest rally is more cautious and slower than the "explosive" reopening trade


Source: Bloomberg.

# Alarm bells should be ringing Down Under

While they obsess over every wiggle in US data, investors seem remarkably calm about the Australian outlook. Maybe 30 years since the last recession has meant everyone has forgotten what a recession looks like.

While Q1 GDP remained above zero, i.e. away from recession, by the smallest margin possible, it all but assured a negative print in Q2.

That was because an across-the-board surge in inventories saved the bottom line. Ask yourself, do you believe wholesalers and retailers planned to boost inventories in the face of consumer weakness? Or were they caught off-guard by how weak demand was?

What is more, it is the change in inventories that is measured in GDP (production). Conceptually, spending plus the change in inventories equals production, so the contribution to the change in GDP is the change in the change.

Inventories rose in the March quarter by about $2.2 billion, reversing a $2.2 billion drop in the December quarter, contributing 0.7 percentage points to GDP growth. This means that without inventory build-up, most likely, we think, due to wholesalers and retailers being caught off guard by weak demand, GDP would have fallen.

Now, to prevent inventories from subtracting from growth in the June quarter, inventories will have to rise by over $6.6 billion. That is, outside of post-COVID restocking, a build not seen in 50 years.

There should be some offset from slowing imports, but it seems unlikely it will be sufficient to balance this (notwithstanding there being no Taylor Swift tours in Q2).

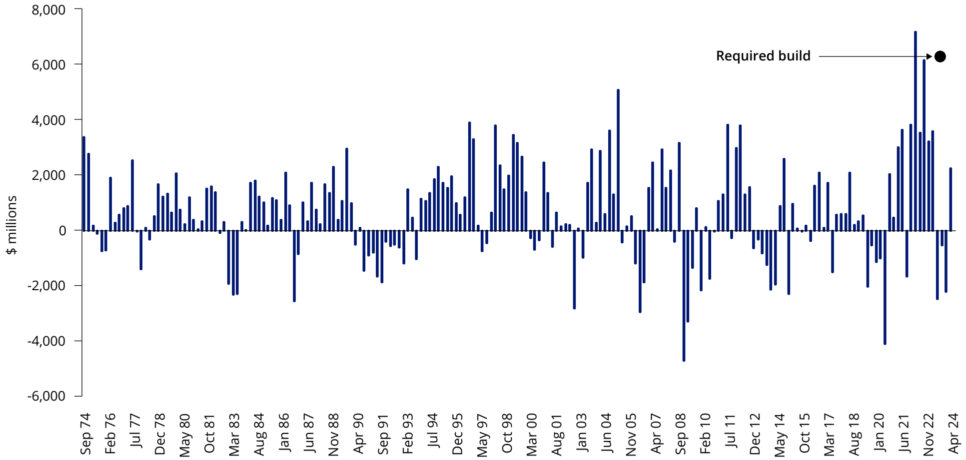
Optimists stress that the labour market is holding up remarkably well, meaning consumers, and hence the economy will muddle through.

But, at the same time, the gaps between GDP and hours worked/employment continue to widen. The gap between employment headcount and hours likewise continues to widen.

This is the source of the "remarkable" performance: in the wake of COVID labour shortages and the difficulty of hiring, businesses are hoarding labour, resulting in falling productivity, a rising gap between headcount and hours worked and rising labour costs.

### Chart 17: Quarterly change in inventories with Q2/24 breakeven

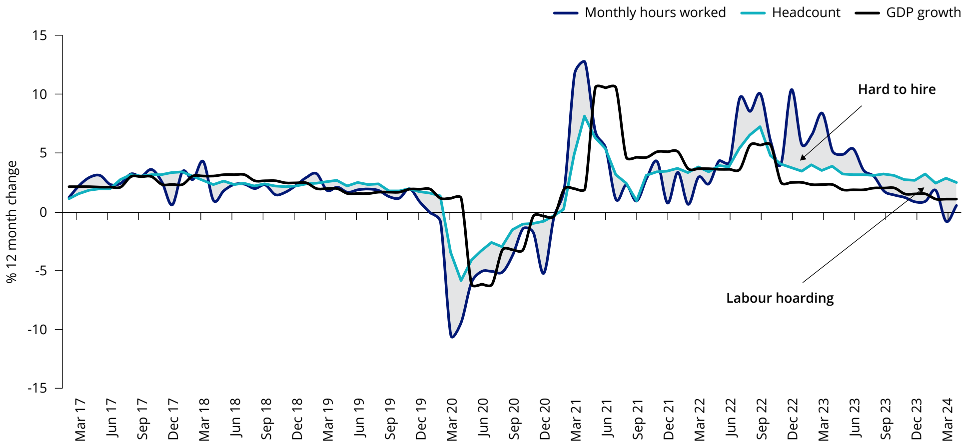
The inventories required to stop growth subtraction will need to be the biggest in 50 years (excluding COVID)




Source: Australian Bureau of Statistics.

### Chart 18: Hours worked versus headcount vs GDP

Jobs holding up as labour is being hoarded though hours worked slows with GDP




Source: Australian Bureau of Statistics.

# To be an optimist

In other words, muddle-through is a bet on companies continuing to hoard labour in the face of falling demand and falling profits. It could be that firms hit their pain thresholds and that could precipitate a sudden unclenching of employment.

That could trigger a cycle of falling incomes, falling spending, falling asset prices, rising layoffs and rising defaults.

Optimists also look to fiscal policy, particularly the stage 3 tax cuts. Undoubtedly, the broader tax cuts will help. And they will be spent, as consumers are tapped out. But they may only be a short-term boost and unlikely to be a panacea.

If we consider the tax cuts, at around 1.5% of personal income, they're dwarfed by the rise in mortgage payments – up around 5% of personal income from the pre-COVID equilibrium, and 8% from the COVID lows.

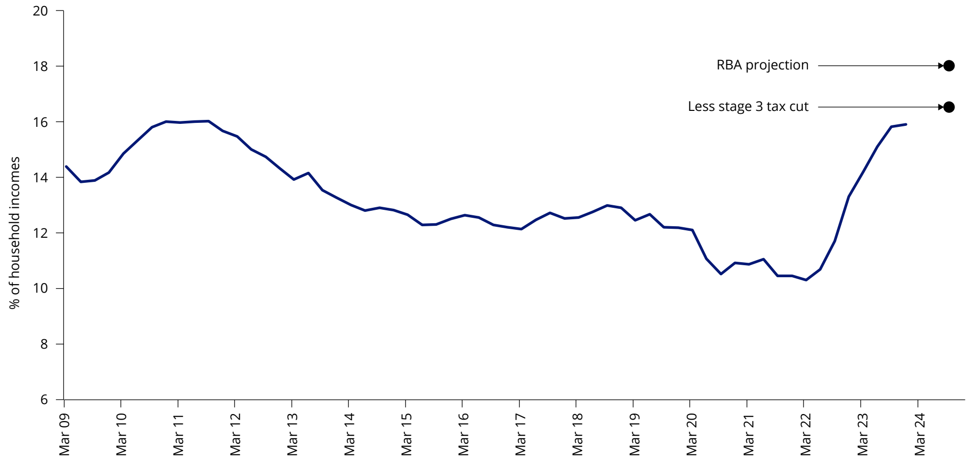
Admittedly, those higher repayments are already "baked in" so there will be some relief. But, more broadly, aggregate fiscal policy will still be leaning against growth over the coming 12 months.

Australia needs an inflation number that could force the Reserve Bank to consider lowering rates. This would fit the narrative of the Federal Budget. Failing that, it will be up to Reserve Bank Governor Bullock to resist pushing the economy and labour market off the "narrow path".

Because it's a long way down. Considering this, we think the upcoming reporting season, and the lead into it, could be characterised by warnings and misses. We've seen this already with luxury online retailer, Cettire. If the domestic economy comes under pressure, as the economy and cost-of-living crisis worsens, Australian banks and domestic cyclicals could feel the pressure. An approach that underweights those sectors could be prudent into the second half of 2024.

**Chart 19: Scheduled mortgage repayments**

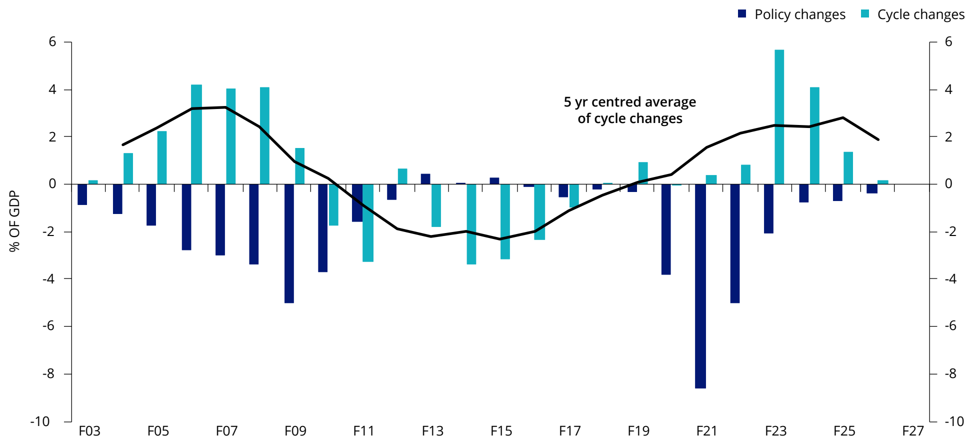
Stage 3 tax cuts bring down the impact of mortgage repayments to still be higher than 2023




Source: RBA, APRA.

**Chart 20: Federal budget policy/parameter changes by year***

Fiscal policy, in aggregate, will still be leaning against growth in the next 12 months




Source: Federal Treasury. Note: the numbers reflect the impact of policy changes or parameter revisions only on the specified fiscal year. Typically, the measures were significantly larger over the full four-year fiscal horizon.

* Change between budget outcome (reported in budge following specific FY) and the initial estimate made two years prior. Cycle change includes parameter (economic) change and other variations. FY24 and FY25 are forecasts.

# VanEck's range of Exchange Traded Funds on ASX

## Equity opportunities

| VanEck Fund | ASX code | Index | Management fees (p.a.)* |
|---|---|---|---|
| **Australian Broad Based** | | | |
| Australian Equal Weight ETF | MVW | MVIS Australia Equal Weight Index | 0.35% |
| Geared Australian Equal Weight Fund (Hedge Fund) | GMVW | MVIS Australia Equal Weight Index | 0.35%^ |
| **Australian Small and Mid Companies** | | | |
| Small Companies Masters ETF | MVS | MVIS Small-Cap Dividend Payers Index | 0.49% |
| S&P/ASX MidCap ETF | MVE | S&P/ASX MidCap 50 Index | 0.45% |
| **Australian Sector** | | | |
| Australian Property ETF | MVA | MVIS Australia A-REITs Index | 0.35% |
| Australian Banks ETF | MVB | MVIS Australia Banks Index | 0.28% |
| Australian Resources ETF | MVR | MVIS Australia Resources Index | 0.35% |
| **Sustainable Funds** | | | |
| MSCI Australian Sustainable Equity ETF | GRNV | MSCI Australia IMI Select SRI Screened Index | 0.35% |
| MSCI International Sustainable Equity ETF | ESGI | MSCI World ex Australia ex Fossil Fuel Select SRI and Low Carbon Capped Index | 0.55% |
| **International** | | | |
| MSCI International Quality ETF | QUAL | MSCI World ex Australia Quality Index | 0.40% |
| MSCI International Quality (Hedged) ETF | QHAL | MSCI World ex Australia Quality 100% Hedged to AUD Index | 0.43% |
| MSCI International Small Companies Quality ETF | QSML | MSCI World ex Australia Small Cap Quality 150 Index | 0.59% |
| MSCI International Small Companies Quality (AUD Hedged) ETF | QHSM | MSCI World ex Australia Small Cap Quality 150 100% Hedged to AUD Index | 0.62% |
| Morningstar International Wide Moat ETF | GOAT | Morningstar® Developed Markets ex Australia Wide Moat Focus Select Index™ | 0.55% |
| Morningstar Wide Moat ETF | MOAT | Morningstar® Wide Moat Focus NR AUD Index™ | 0.49% |
| Morningstar Wide Moat (AUD Hedged) ETF | MHOT | Morningstar® Wide Moat Focus NR AUD Hedged Index™ | 0.52% |
| MSCI International Value ETF | VLUE | MSCI World ex Australia Enhanced Value Top 250 Select Index | 0.40% |
| MSCI International Value (AUD Hedged) ETF | HVLU | MSCI World ex Australia Enhanced Value Top 250 Select 100% Hedged to AUD Index | 0.43% |
| MSCI Multifactor Emerging Markets Equity ETF | EMKT | MSCI Emerging Markets Multi-Factor Select Index | 0.69% |
| FTSE China A50 ETF | CETF | FTSE China A50 Index | 0.60% |
| China New Economy ETF | CNEW | MarketGrader China New Economy Index | 0.95% |
| **Global Sector** | | | |
| Gold Miners ETF | GDX | NYSE Arca Gold Miners Index® (AUD) | 0.53% |
| Global Healthcare Leaders ETF | HLTH | MarketGrader Developed Markets (ex-Australia) Health Care AUD Index | 0.45% |
| FTSE Global Infrastructure (Hedged) ETF | IFRA | FTSE Developed Core Infrastructure 50/50 Index Hedged into AUD | 0.20% |
| FTSE International Property (Hedged) ETF | REIT | FTSE EPRA Nareit Developed ex Australia Rental Index AUD Hedged | 0.20% |
| **Thematic** | | | |
| Video Gaming and Esports ETF | ESPO | MVIS® Global Video Gaming and eSports Index (AUD) | 0.55% |
| Global Clean Energy ETF | CLNE | S&P Global Clean Energy Select Index | 0.65% |

*Other fees and costs apply. Please see the respective PDS.

^The Fund charges a nil management fee. This is the indirect cost represented as a percentage of the gross asset value. If the average gearing level is 50%, the indirect cost will be 0.70% of the net asset value.

# VanEck's range of Exchange Traded Funds on ASX

## Income opportunities

| VanEck Fund | ASX code | Index | Management fees (p.a.)* |
|---|---|---|---|
| **Australian Equity Income** | | | |
| Morningstar Australian Moat Income ETF | DVDY | Morningstar® Australia Dividend Yield Focus Equal Weighted Index™ | 0.35% |
| **Australian Fixed Income** | | | |
| Australian Corporate Bond Plus ETF | PLUS | iBoxx AUD Corporates Yield Plus Mid Price Index | 0.32% |
| Australian Floating Rate ETF | FLOT | Bloomberg AusBond Credit FRN 0+Yr Index | 0.22% |
| Australian Subordinated Debt ETF | SUBD | iBoxx AUD Investment Grade Subordinated Debt Mid Price Index | 0.29% |
| 1–5 Year Australian Government Bond ETF | 1GOV | S&P/ASX Government Bond 1–5 Year Index | 0.22% |
| 5–10 Year Australian Government Bond ETF | 5GOV | S&P/ASX Government Bond 5–10 Year Index | 0.22% |
| 10+ Year Australian Government Bond ETF | XGOV | S&P/ASX Government Bond 10–20 Year Index | 0.22% |
| **Global Fixed Income** | | **Index/Performance Benchmark** | |
| 1-3 Month US Treasury Bond ETF | TBIL | Bloomberg U.S. Treasury Bills: 1-3 Months Unhedged AUD Index | 0.22% |
| Emerging Income Opportunities Active ETF (Managed Fund) | EBND | 50% JPM EMBI Global Diversified Hedged AUD and 50% JPM GBI-EM Global Diversified | 0.95% |
| **Capital Securities** | | **Index/Benchmark** | |
| Global Capital Securities Active ETF (Managed Fund) | GCAP | RBA Cash Rate + 3% per annum | 0.59% |

## Alternative opportunities

| VanEck Fund | ASX code | Index | Management fees (p.a.)* |
|---|---|---|---|
| **Alternatives** | | | |
| Global Listed Private Equity ETF | GPEQ | LPX50 Index | 0.65% |
| Global Carbon Credits ETF (Synthetic) | XCO2 | ICE Global Carbon Futures Index | 0.45% |
| Gold Bullion ETF | NUGG | Tracks the price of gold | 0.25% |
| Global Listed Private Credit (AUD Hedged) ETF | LEND | LPX Listed Private Credit AUD Hedged Index | 0.65% |
| VanEck Bitcoin ETF | VBTC | Tracks the price of bitcoin | 0.59% |

*Other fees and costs apply. Please see the respective PDS.

# Contact us

vaneck.com.au
info@vaneck.com.au
+61 2 8038 3300

VanEck-Australia
VanEck_Au
VanEckAus
VanEckAustralia

## Important notice