Access the opportunities.

VanEck ViewPoint™

Divergence

April 2024

After a few years where monetary policy around the world was more or less in sync, 2024 looks different with some central banks about to go their separate ways. China continues to ease, albeit reluctantly. The US Fed and central banks across Europe sound increasingly hot to trot on cuts. Locally, the RBA is currently sitting on its hands, albeit nervously. After a decade of Quantitative and Qualitative Monetary Easing (QQE), that is, throwing everything including the kitchen sink at the economy, the Bank of Japan (BoJ) has raised rates. Admittedly, the rise is to a smidge above zero and it has wound the QE taps almost shut.

Some of the differences relate to the state of the various economies. But their impact on markets has been the story of market returns so far in 2024, particularly the shifting expectations on Fed rate cuts. At the start of the year, the market was pricing in six to seven rate cuts. While the Fed was never that bullish, the market has since tapered its cuts more in line with the Fed's predictions.

Economies are delicately balanced, and policymakers should tread carefully, and not respond to one-offs. If inflation starts to tick upward central bankers should not ignore it. After the record inflation in 2022 and then hiking faster and higher than ever fighting it, the inflation ghosts of the 70s and 80s still haunt developed market central banks.

The Fed's earlier rhetoric about its inflation fight, however, isn't reflected in its current actions. It is seemingly comfortable with inflation a little higher than the target if the economy is growing.

Equity markets have been speculating that we have hit peak rates this cycle, hence their continued momentum during Q1 2024.

Looking ahead, the rest of 2024 could still be bumpy. It's the US election year. Add in the potential UK general election, which must be held no later than 28 January 2025, and the unknowns for the rest of 2024 become greater. Never underestimate the impact of regional geopolitics.

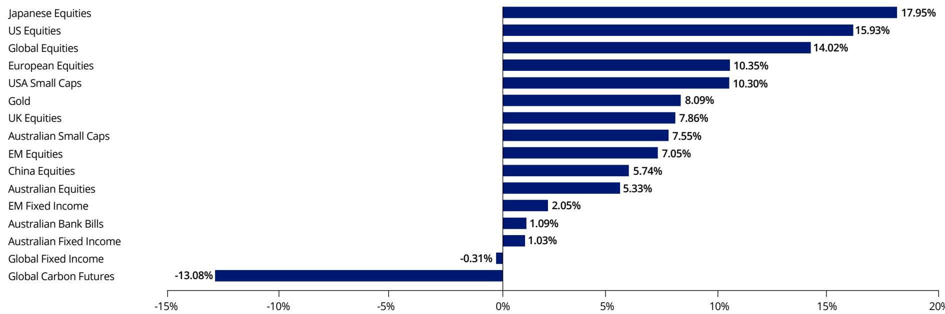
Equity markets, globally, had a strong quarter, led by Japan and the US. Global and US equities were boosted by Telecommunications and IT. In Australia, the materials sectors weighed on returns, as too did our telecommunications sector. Our IT sector starred, as did consumer discretionary and real estate. But these sectors, IT in particular, are not well represented in Australian indices, highlighting why a more diversified portfolio construction approach, away from the mega-caps, may be better for Australian equities.

For the rest of 2024, investors should approach risk assets selectively. In addition to avoiding concentration in markets like Australia, we think a good place to start is to focus on leverage i.e. balance sheets and cash flow. We could see the US dollar come off further and gold continuing to shine. As an aside, gold miners have strong cash flow and we've seen them start to outperform during the backend of the quarter. Navigating equities smarter through factor strategies such as 'quality' and 'low-size' becomes more meaningful.

At the end of the quarter, 2002 Nobel prize winner for Economics Daniel Kahneman, passed away at age 90. He changed how we think about human decision-making and his work advanced the field of behavioural economics.

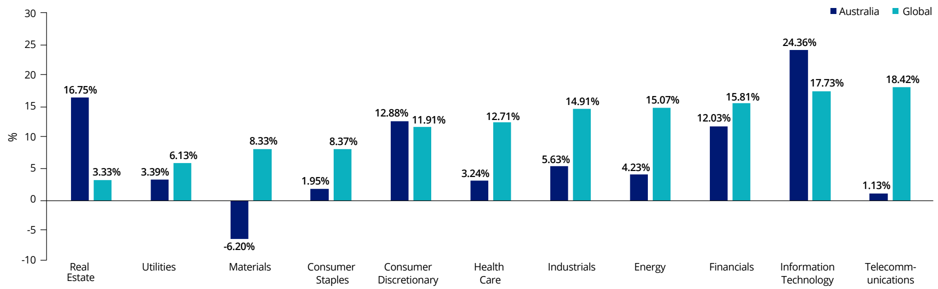
"The idea that the future is unpredictable is undermined every day by the ease with which the past is explained." **– Daniel Kahneman, *Thinking, Fast and Slow***

Chart 1: Mainstream asset class returns for the quarter



Source: Bloomberg, 1 January 2024 to 31 March 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 January 2024 to 31 March 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.

What even is a 'soft landing?'

The debate over recent quarters between a US 'hard landing' and a 'soft landing' has overlooked another outcome that is seemingly coming to fruition, that the US economy doesn't experience any kind of landing.

Not only that, but markets have also offset any tightening by the Fed which meant that it was prudent to be sceptical that a marked slowdown was on the way. At the same time, however, we were nowhere near as confident on inflation as the optimists.

A quarter ago the 'inflation optimists' had driven the market to be pricing in six to seven Fed rate cuts this year. Throughout the quarter, rate markets changed their tune. US equities, along with crypto and gold, shrugged off the change and marched onward.

To be fair, equities faced offsetting influences. While a rebound in rates is a negative for equity valuation, taking recession fears off the table is positive. Likewise, ongoing concerns about US debt/sovereign risk have boosted gold and crypto, with the arrival of US-listed ETFs an apparent supercharger for the latter.

Investors are now left to wonder where we are now.

On the growth front, the US economy looks fine. Business investment is solid. At the same time, real household income has improved as inflation has retreated, stoking consumer sentiment. The housing cycle is turning up and in an election year, there's no sign of any fiscal retreat.

On the inflation front, it's looking more and more likely that the 'transitory' has transited, both up and down, and the remaining inflation rate is too high.

After dropping surprisingly sharply in Q3, inflation rebounded just as hard in recent months. Over the past quarter, headline CPI has run at an annualised rate of 3.7%, core at 4.2%; and Chairman Powell's alleged favourite 'super-core' measure – services less rent of shelter – at over 6%.

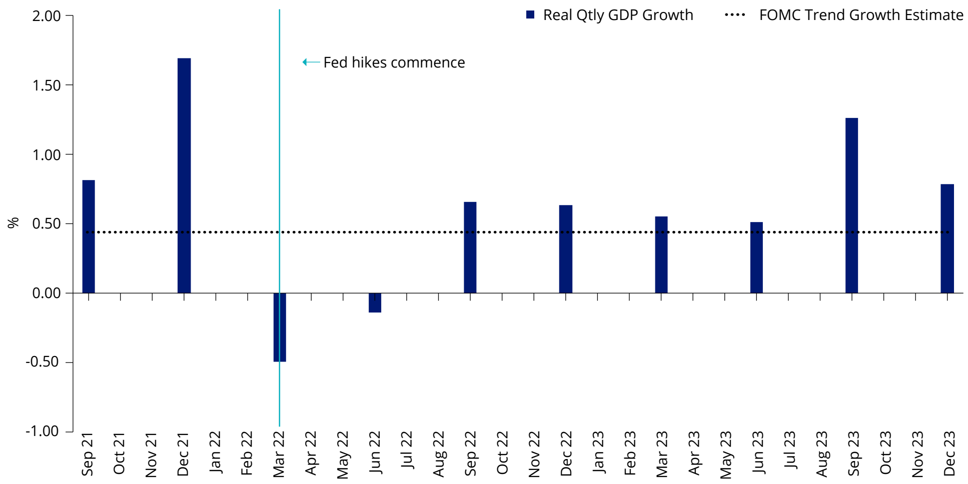
Last quarter, inflation optimists were wilfully ignoring the Fed: their six to seven easings were in wild contrast to the Fed's forecast of three. Now markets have seemingly fallen into line with the Fed.

It's not that simple.

While it seems clear that there is little reason to expect a soft economy for the next two to three quarters, this means little or no chance of a slackening labour market. And without slowing wages, getting core inflation down to 2% seems a forlorn hope.

Chart 3: Dude, where is my recession (still)?

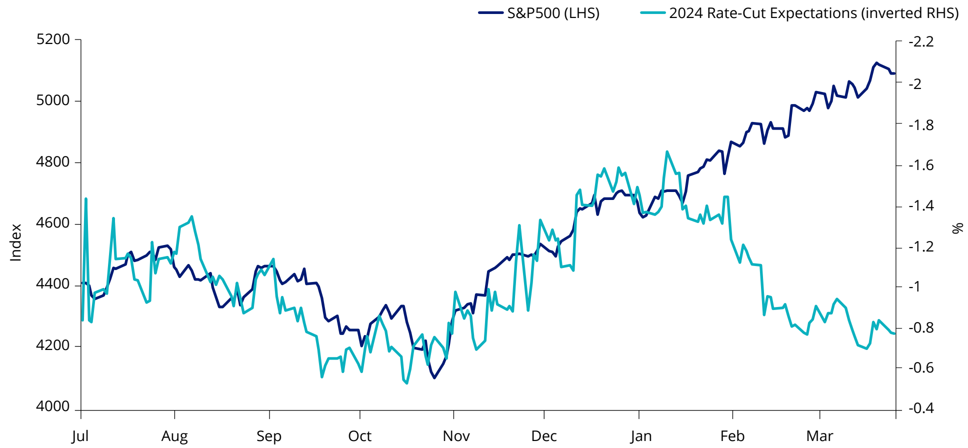
Percentage change in quarterly US GDP growth



Source: Federal Reserve Bank of St Louis.

Chart 4: The S&P 500 marches on

S&P 500 and 2024 rate cut expectations



Bloomberg. You cannot invest in an index. Past performance is not indicative of future performance.

When the target is not the target

The FOMC excel at reading the economy, but they went out of their way to keep, more or less, the same guidance at their latest meeting despite the growth outlook firming and inflation readings rebounding. The dot plot on rate cuts this year is so finely balanced, that you have to see it to believe it. One more member change would have changed the median.

It also accords with the clear message from both public speeches and from 'the usual sources' off-the-record briefings that the Fed is still intent on easing as early as mid-year.

Growth seems solid enough; on the other hand, the Fed looks far from home on its inflation target.

So why is the Fed still intent on easing?

Optimists are citing noise and seasonal factors as the reasons for the inflation rebound. That may be true, to some extent at least, but even if that means things aren't as bad as the latest readings, it equally means things weren't as good as Q3 readings. Seasonal adjustment moves the monthly changes around, it doesn't change the total.

Perhaps the answer is simple, and the Fed has 'stealth-changed' its inflation target. They are willing to live with higher inflation readings for longer, in exchange for more robust growth. And, maybe, hope to shift the last mile on inflation somewhere down the road. That could be a controversial plan, especially in an election year.

While a higher inflation 'target' would backstop equities by allowing stronger earnings, it risks another bond sell-off, especially with an ever-increasing bond sales task. If the Fed is sneaking the inflation target up to, say, 3% there's no reason for 10-year bonds to have a 4 handle. In turn, this would put pressure on valuations.

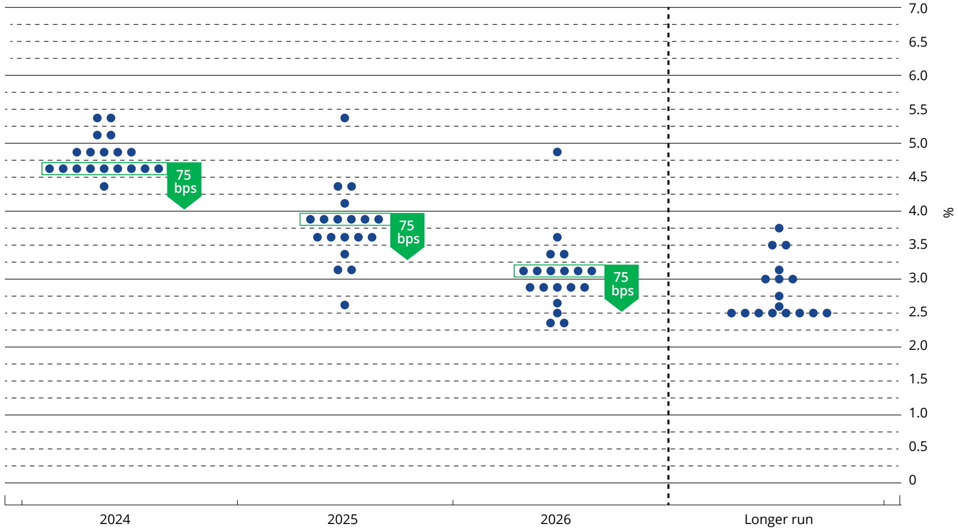
Sanctions and trading blocs over the past 18 months have risked undermining the attractiveness of US assets. Combine that with booming issuance and a question mark over policy rigour, and you have the makings of higher yields, higher gold and a crypto run. To us, this sounds familiar.

A secular shift higher in yields would be cemented if the 'neutral' real interest rate has rebounded in recent years. While the move is currently modest, it is worth noting that the long-term target rate of the FOMC is creeping slowly higher.

Why would that be the case, well, there are a few plausible factors such as defence spending and energy infrastructure. But, right now, rather than get too deeply into that, we'd point out the evidence: the US economy has seemingly shrugged off the past two years' rate rises.

Chart 5: The FOMC is forecasting rate cuts in 2024

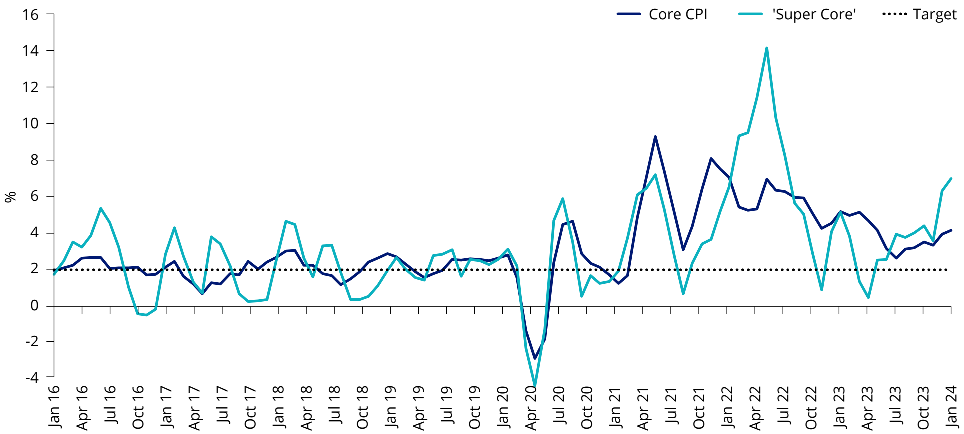
FOMC participants' assessments of appropriate monetary policy: Midpoint of target range or target level for the federal funds rate



Source: Federal Reserve Note: Each shaded circle indicates the value (rounded to the nearest 1/8percentage point) of an individual participant's judgment of the midpoint of the appropriate target range for the federal funds rate or the appropriate target level for the federal funds rate at the end of the specified calendar year or over the longer run. One participant did not submit longer-run projections for the federal funds rate.

Chart 6: Transitory has transited, and core inflation is too high (and rising?)

US Core CPI measures



Source: Federal Reserve Bank of St Louis

The outlier across the Pacific

Rising global inflation has finally lifted Japan out of its decades-long deflation mire. Governor Ueda was appointed to end QQE and negative rates and has now done so.

The final piece of the jigsaw was this year's wage round, a one-off burst of inflation couldn't be considered a permanent feature without wage rises to follow. Indeed, inflation without wage rises equals falling real household income, something that slowed growth into year-end.

The current Rengo wage round has wage rises running at over 5%, easily enough to fulfil the BoJ's last requirement.

Where to from here? Governor Ueda did such a good job of acclimating markets to the coming shift that the reaction has been a classic 'buy the rumour, sell the fact,' exacerbated by the still-huge gap between Japanese and US yields.

We think the global investment community is a bit too smug, that is, they're treating the policy move as a one-off. But if inflation is sustainably around 2%, the question is if rates stay at zero.

Will 10-year Japanese Government Bonds (JGBs) remain below 1%? Why would investors accept locking in a negative real return for a decade?

Rates are going higher across the yield curve. And, sooner or later, the yen will follow. We suspect the BoJ will be on a steady tightening path until the yen gets cracking.

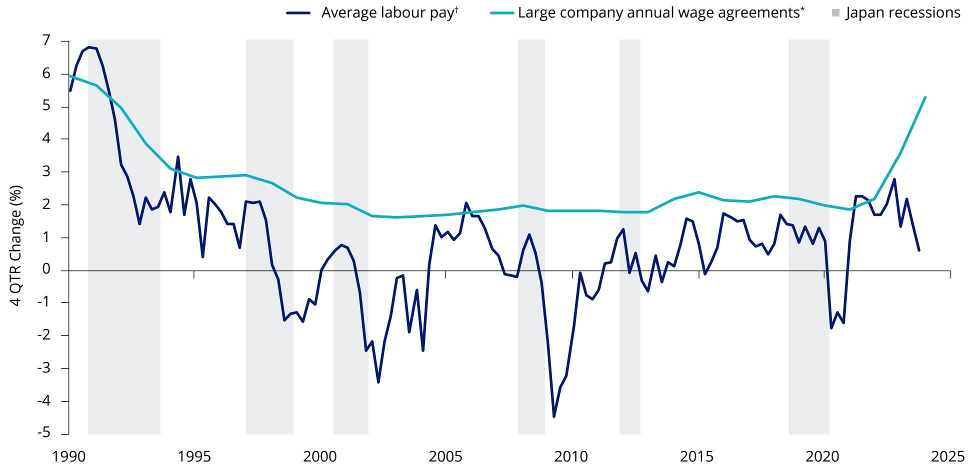
Currency markets are extremely optimistic, yen calls are cheap. But even a modest appreciation of the yen has the potential to see Japan, still among the world's biggest providers of capital, increase their hedges on foreign investments from their current levels of around 50%. In turn, as any yen rally gathers steam, it has the capacity to undermine the world's biggest trade, the yen carry trade.

Japanese equities were so out of fashion that investors failed to notice many Japanese companies had cleaned up their balance sheets and increased their return on capital. Some investors are wising up with the Nikkei, after decades, finally hit a new all-time high. And Japanese investors, aside from the BoJ, remain underweight.

So, we still like the Japanese equities, but only with the attached yen exposure.

Chart 7: Rengo wage increases easily enough to satisfy BoJ

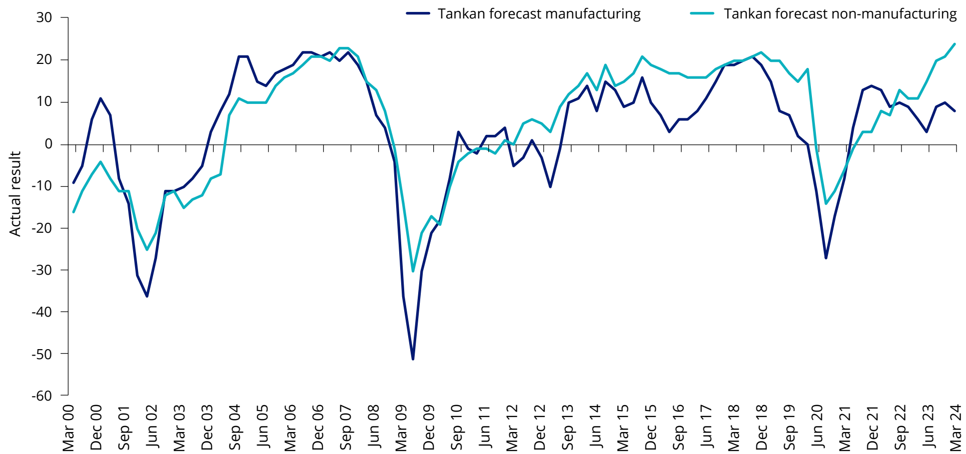
Tankan Large Manufacturing Index



Source: MHLW, Cabinet Office; Minack Advisors.
* Latest data point is 2024 Rengo increase. † Compensation of labour per employed worker.

Chart 8: Japanese Business confidence is up

Tankan Large Manufacturing Index



Source: Bank of Japan, Reuters.

China: Policy calibrations continue, structural challenges remain

While markets are encouraged by Japanese policymakers, to its west, markets were not too pleased with China's 'two sessions' outcome. Despite getting the coveted 2024 official growth target of around 5%, many commentators complained that policy recommendations lacked imagination, were underwhelming and not big enough.

The 'two sessions' sent a signal that the economy can count on additional, targeted, lending facilities and some monetary easing, since real interest rates are very high due to disinflation. But there will be no wall of liquidity. Instead, Chinese authorities set their sights on far-reaching structural objectives, the implementation of which, such as affordable housing, for example, will take time.

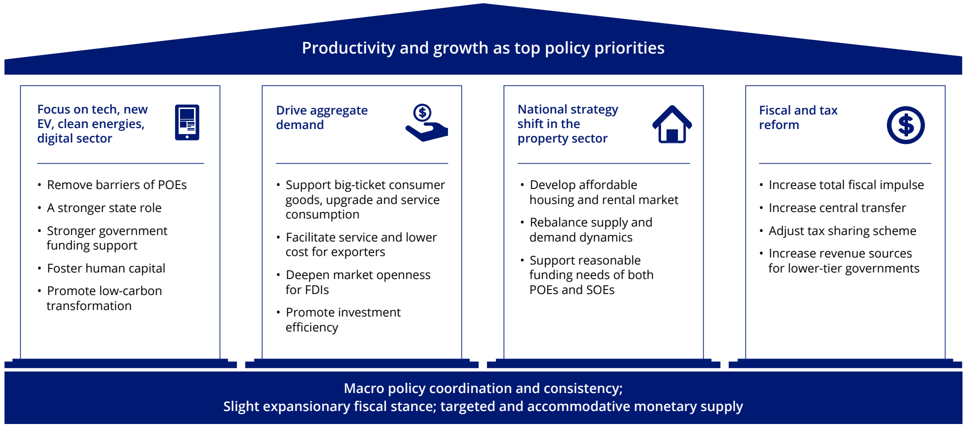
One big item that seems to be missing from the 'structural' list is a blueprint for the resolution of developers' debts. Unfortunately, the past few weeks brought more negative news on this front, including Country Garden getting a winding-up petition in Hong Kong and entering a grace period on its onshore bond (interest). Until there is a credible solution (blueprint), it is difficult to envision significant upside risks to China's growth.

Besides the longer-term nature of China's structural aspirations, tentative improvements in China's domestic activity indicators also warrant being more 'frugal' with policy stimulus. Both industrial production and fixed assets investments beat the consensus in February, and China's economic surprise index is now positive and at the highest level since July 2023. Very few analysts currently expect China's growth to achieve the official target this year (the consensus is around 4.6%), but the IMF's recent upward growth revision by 0.4% suggests that perhaps some estimates are too pessimistic.

The implications for the renminbi are less clear. China's current account surplus is still sizable but moderating, and investors are not exactly rushing back to Chinese assets, which brings us to another FX driver, the interest rate differential. A more cautious and measured policy easing in China combined with the expectations of growth recovery can push domestic interest rates higher at some point in the coming weeks/months. With the Fed confirming that it is likely to start cutting its policy rate in the second half of the year, this reversal of the interest rate differential, which is still close to historic lows (negative), can improve the outlook both for the renminbi and for EM FX peers which are correlated with it.

Chart 9: China's government released a comprehensive policy agenda to support its growth target

China's 'two sessions' outcome



Source: Moody's

Chart 10: Positive and at its highest level since July 2023

China's Economic Surprise Index

Source: Bloomberg.

Emerging markets' debt rattle

Following a strong 2023, 2024 has been bumpy. For example, emerging markets' local-currency debt finished the quarter lower, while emerging markets' hard currency debt was up. These 'Jitters' following a 2023 rally that all happened in the last two months of the year, plus a consensus on rethinking six Fed rate cuts and the absence of a China 'big bang' policy move have led to these first quarter of 2024 outcomes.

The Fed will set the tone for emerging markets. This will be a key driver for global interest rates and should be an excellent backdrop for bonds generally. The key question is what will happen to interest rates along the curve. If the entire curve rallies, all is good, and we have a traditional rate-cutting cycle. But what if instead, long-end rates sell-off due to fiscal and eventual inflation concerns? That's a more complicated market setup and one that could see emerging markets' local currency bonds being under more pressure and emerging markets' hard currency bonds being supported, just like this past quarter.

As noted, China's currency stability is wavering, at a moment when you wouldn't expect it. The general idea in China had been to maintain currency stability to support investment-led macroeconomic policy. A strong currency supported investment while hurting job-intensive exporting sectors. The tactic was going to be to wait for the Fed to have started cutting, and only then ease policy, because easing policy when the Fed was tightening was extremely risky. But with the recent fix resulting in a weaker renminbi, this scenario is now being called into question. Again, with so many currencies with high correlation and beta to renminbi, there is pressure on EMFX.

US politics and global politics matter in emerging markets. In the US, both political parties appear headed toward tariffs and greater industrial planning. Add in two big hot wars and the fact that the West's commodities increasingly come from adversaries, and it is not hard to see an inflationary outcome. Adding fuel to this fire is the likely upcoming use of seized Russian assets for the Ukrainian war effort, which could further undermine trust in US Treasuries on the part of other central banks. It probably boils down to a steeper yield curve and perhaps some US dollar weakness. Our question would therefore be, then what? But that will be for another quarter.

Chart 11: Setting the tone for emerging markets

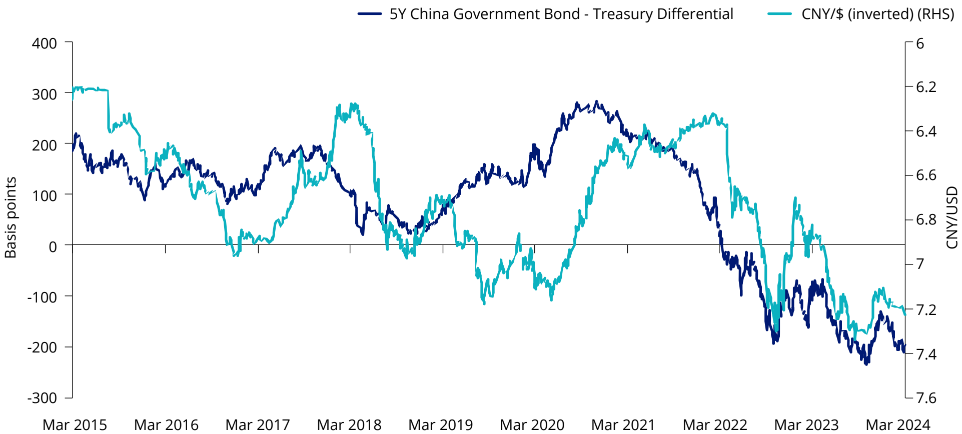
Fed Funds Pricing

Meeting	No. of Hikes/Cuts	Imp. Rate Change	Implied Rate	Assuming Rate Movement
1 May 2024	-0.16	-0.04	5.286	0.25
12 June 2024	-0.785	-0.196	5.13	0.25
31 July 2024	-1.195	-0.299	5.028	0.25
18 September 2024	-1.94	-0.485	4.841	0.25
7 November 2024	-2.418	-0.604	4.722	0.25
18 December 2024	-3.126	-0.781	4.545	0.25
29 Jan 2025	-3.595	-0.899	4.427	0.25

Source: Bloomberg, as at 25 March 2024.

Chart 12: China's currency stability is wavering

US-China interest rate differential and CNY



Source: Bloomberg.

Gold miners on the march in March

Gold traded in a tight range in the first two months of 2024. It closed below US$2,000 per ounce on February 13 and 14, but bounced back, settling above US$2,100 through most of March. While the US core and headline Consumer Price Index (CPI) readings for January that were above consensus expectations, pushed out the likelihood of Fed rate cuts to later in the year and thus put pressure on the gold price, it has not responded that way.

With rate cuts on the horizon, even though they have been delayed, real yields have cooled, increasing the relative attractiveness of non-interest-bearing gold. The other factor driving the gold price is central bank demand. China has led the charge here, consistently adding large amounts of gold to its reserves for the past 16 months straight. Overall central bank buying reached record highs in 2022 and has shown no signs of slowing and this has more than offset the selling pressure caused by gold-backed ETFs.

What has been interesting is the returns of gold miners. Since the gold price fell as low as US$1,819.45 per ounce last October, gold miners have not matched the price rises of the yellow metal. This is odd because in the past when the price of gold rose, it was not uncommon for the price of miners to outpace the metal. March has seen the rise of the miners, with gold mining stocks strongly outperforming gold bullion during the month. This could be the beginning of a reversion-to-the-mean trend that sees gold mining equities once again display their leverage to the gold price and outperform bullion when gold prices are rising. For reference, the NYSE Arca Gold Miners Index would have to more than double from current levels to reach its peak in August 2011, so there still appears to be a fair amount of potential runway just based on historical performance. Noting that past performance should not be relied upon for future performance.

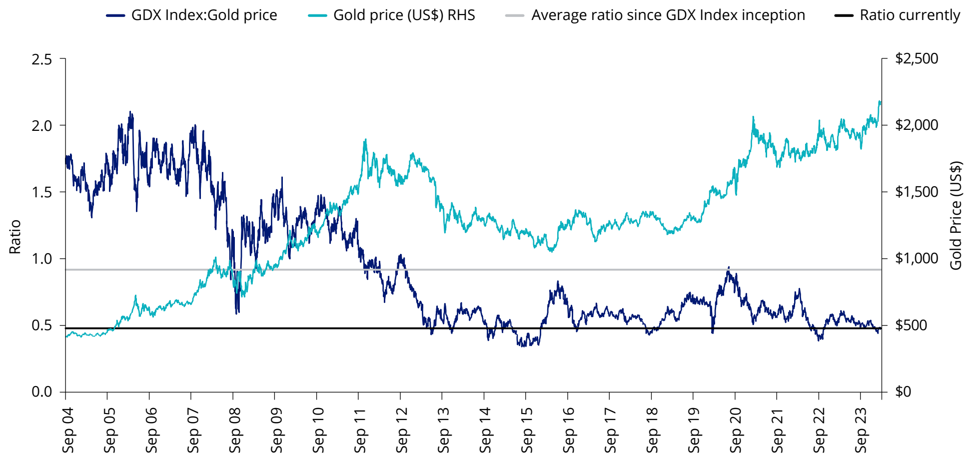
Chart 13: Real yields have cooled

Gold and real 10 year treasury yield

Source: MHLW, Cabinet Office; Minack Advisors.
* Generic 10 year real bond.

Chart 14: Despite a March rally, gold miner's value relative to bullion is still low

Ratio of gold miners to gold bullion price



Source: VanEck, Bloomberg as at end of March 2024. GDX Index is NYSE Arca Gold Miners Index. All returns are in US dollars. Past performance should not be relied upon for future performance. You cannot invest in an index.

There will be a landing in Australia

Locally, the question of "what's a soft landing?" is playing out here too. In perhaps, a more worrying tone. The Reserve Bank has been focused on taming inflation. Unfortunately, while recent inflation data has been promising, the worry is that they've missed the boat on growth.

It's not hard to find data to suggest the Australian economy is doing it tough. Indeed, the broadest measure, GDP, would suggest the economy has stalled. Wheels touching the runway, that is, growth briefly slowing to zero before resuming, is a soft landing. Panicking onto the runway is a hard landing.

We're surprised more people aren't worried about a hard landing in Australia. We're potentially already at a soft landing, and, unfortunately, there aren't too many growth positives right now. Business investment has been ok, but, despite rock-bottom vacancy rates, housing investment is in the doldrums. Commodity prices for Australia's exports look toppy. It looks like there are still some household savings left over from COVID payments. But there's no reason for households to now spend them at an increasing rate.

Real household disposable incomes, battered by inflation, have been going backwards. And that's before rising mortgage repayments. Not surprisingly, consumer spending has stalled, led by discretionary spending. There is some modest tax relief coming mid-year and wages are doing a little better relative to inflation, but we are sceptical it's enough.

The last straw would be a weakening labour market. If businesses start layoffs in response to weak demand, then household incomes could fall further, and we get a downward spiral.

While broad measures of labour market slack have been rising, driven by rising population, employment is hanging in. The last print was a surprise. Hours worked have been rising despite soft GDP, in turn implying a poor productivity performance.

Part of the explanation is the switch from goods to services coming out of COVID. The services sector generally has lower productivity than the goods sector. Part could be a genuine slowing of productivity as the capital stock has failed to keep pace with growing employment. The ratio of capital to labour is a prime determinant of productivity.

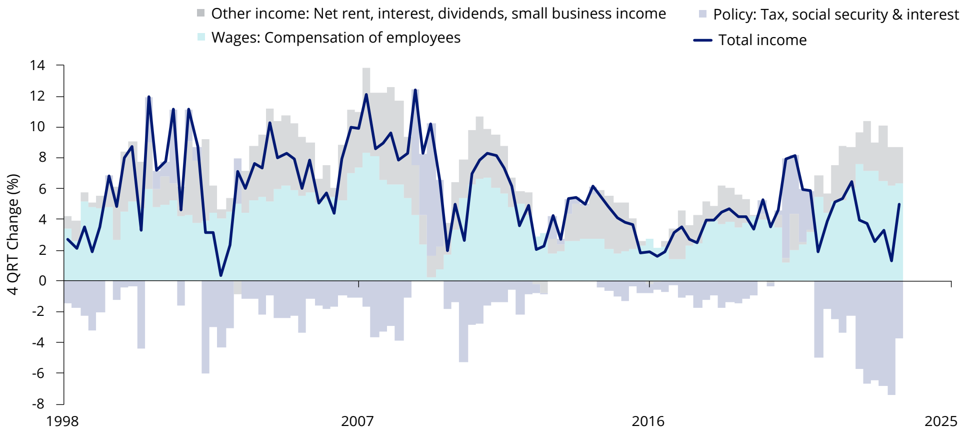
It could also be, in part, due to volatile statistics, particularly coming out of COVID and with potentially changed seasonal patterns. If it turns out we've been misled by labour force readings, it could be 'look out below' for Australia. We don't think it is that bad.

Once upon a tightening cycle, an RBA Governor was asked if he thought the last hike might have been one too many. He replied that he thought the last tightening was always one too many. It is the nature of policy lags versus late and volatile economic data.

Both the RBA, via its public utterances, and financial markets seem comfortable that the US Fed will lead the global easing cycle, even though currently the US economy looks fine, and the Australian economy looks, at best, shaky. At least the RBA has gone to a neutral bias. But any signs of labour market capitulation will see Australian rate cuts coming thick and fast.

Chart 15: Real wages had been going backwards

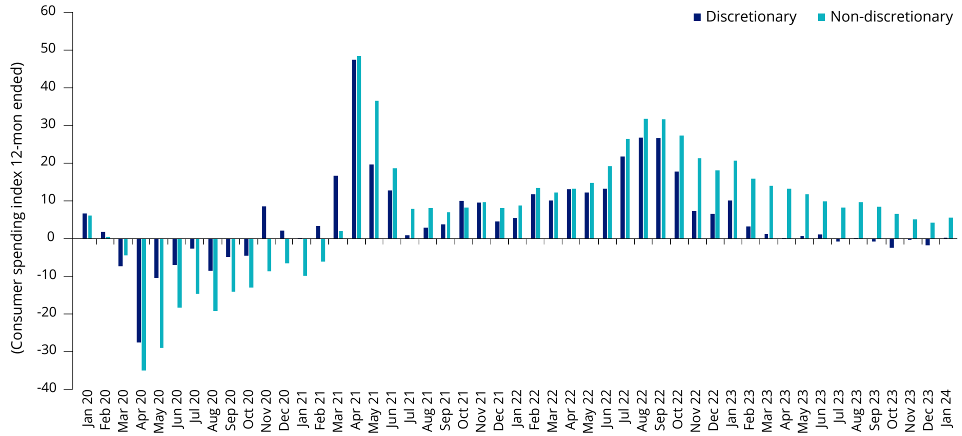
Household disposable income



Source: ABS, Melbourne Institute, data to end of March 2024.

Chart 16: And consumers are tapping out

Household discretionary and non-discretionary spending



Source: ABS.

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%

*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