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Vigilantes and vigilance

October 2026

"I used to think that if there was reincarnation, I wanted to come back as the President or the Pope or as a .400 baseball hitter. But now I would like to come back as the bond market. You can intimidate everybody." — **James Carville**

In 1993 the bond market forced the Clinton administration, of which Carville was a member, to drop its big spending plans. The past quarter it has been sending a message to the Trump administration about government debt, interest costs and structurally higher term premia.

The US 10-year has marched to highs not experienced in two decades. Locally the Australian 10-year yield has hit 20-year highs. Both, in the US and here, inflation remains above band, and each central bank has acted accordingly with rate rises. But the path forward for both is different.

In the US, core PCE (Personal Consumption Expenditures) combined with growth indicators pointing to a resilient economy leaves the US Federal Reserve with limited scope to ease policy and keeps the risk of further tightening in play if inflation fails to moderate.

The difference locally is the lack of growth indicators. The weaker economy and increased inflationary pressure from the 6% increase in the National Minimum Wage and 4.75% rise in minimum award wages that took effect from 1 July could keep domestic cost pressures further elevated and make a return to the RBA's inflation target more difficult.

While bond vigilantes are ringing alarms, many global equity markets have continued to carry on. US equities, spurred on by continued semiconductor strength, continued to march higher over the past quarter. Globally, the energy sector has also performed well this past quarter. Safe haven gold and its miners also had a relatively strong quarter.

The ASX has been flat over the past three months. The local energy sector also did well. The other standout sector, healthcare, was driven by the return of one stock, CSL, on the back of its FY26 results signalling the worst of its operational struggles appears over.

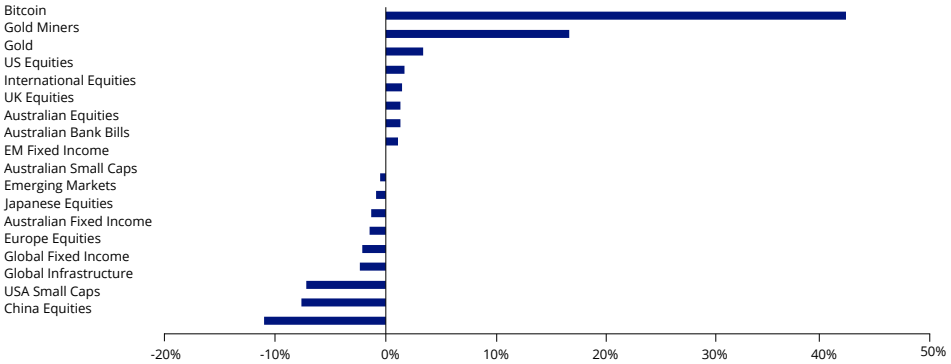
This highlights the need for vigilance and selectivity. Recently the market has been rewarding companies generating strong cash flows and trading on attractive valuations. Should volatility return, seeking out quality companies could be prudent as market volatility could support quality outperformance. We saw this during the 2000 dot com frenzy, 2021 COVID reopening and 2023 soft landing, when US inflation and economic growth were above 2.5%.

Volatility could be higher going forward as markets navigate an environment of diverging economic growth alongside uncertainty around interest-rate paths, geopolitical tensions, and elevated valuation concerns across some sectors.

In fixed income, higher-grade credits, indicating better quality, could be sensible especially when layering in duration at the current, attractively higher levels.

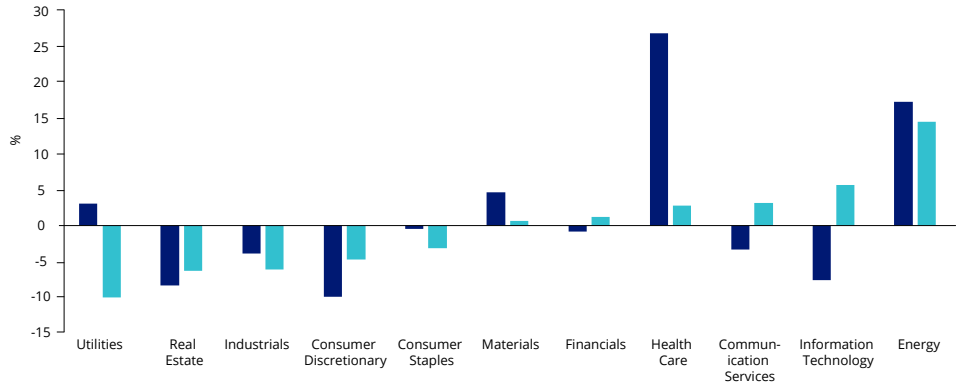
"The market can move for irrational reasons, and you have to be prepared for that"
— Bill Gross

Chart 1: Mainstream asset class returns for the quarter



Source: 1 July 2026 to 30 September 2026, returns in Australian dollars. Gold Miners is NYSE Arca Gold Miners 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. Global Listed Infrastructure is FTSE Developed Core Infrastructure 50/50 Hedged into Australian Dollars Index, Bitcoin is The MarketVector™ Bitcoin Benchmark Rate. Past performance is not indicative of future performance.

Chart 2: Global and Australian equity sectors quarterly performance



Source: 1 July 2026 to 30 September 2026, 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 Health Care Index / S&P/ASX 200 Health 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 indicative of future performance.

High hopes thin margins

Cast your mind back six months or so, to the start of the conflict in the Middle East. Markets were remarkably assured, mostly agreeing with President Trump's view that it would be over in days. Many deep thinkers opined that we would need to see the war drag on for months and for crude oil to push over US$100 a barrel before it became a problem.

That confidence has proved to be misplaced.

At the same time, US 10-year bond yields squeezed modestly higher, from around 4% ahead of the war to around 4.25% six weeks later. No matter, said many of the deep thinkers, rates would need to hit 5% before they would trouble either the economy or equity market valuations. At 5% bond yields, equity risk premium has vanished. Indeed, on a trailing, rather than prospective basis, it's more like -1%/-1.5%.

The margin for error has all but disappeared.

And yet, despite these poor assessments from the market, US equities remain adjacent to all-time highs and most other major global markets, while off their immediate highs, remain above pre-conflict levels. Despite reaching new highs after the war commenced, it is worth noting that Australia is a downside exception.

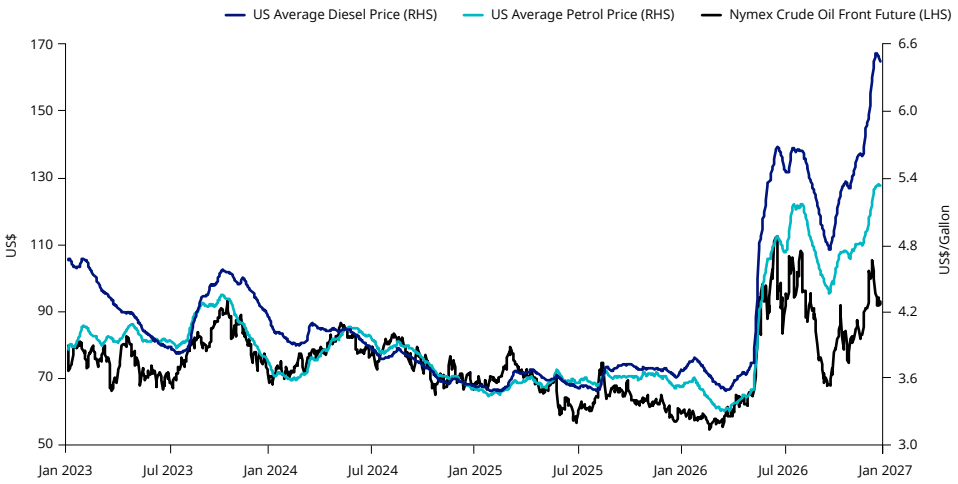
It is worthwhile to examine the return of international equity markets.

We think that there are a couple of factors supporting the US economy and, directly or indirectly, supporting equities. Unfortunately, both bode poorly for interest rates.

And there are reasons to be vigilant about both, though, of course timing remains a mystery. Just because something looks high doesn't mean it will stop climbing anytime soon.

Chart 3: Bad for growth and inflation

Spot oil and US petrol and diesel prices



Source: Bloomberg, 31 August 2026.

Chart 4: The case of the disappearing equity risk premium

US relative asset price and 10 year relative return*

Source: Bloomberg, Finaeon, London Stock Exchange Group, 31 August 2026.

Dots mark the latest data point and expected return implied by best fit line. *Relative return calculated by total return for S&P500 less return on 10 year treasury. #Real yield is spot yield less Cleveland Fed 10 year expected CPI, linked to trailing 5 year CPI

The direct and indirect impact of AI

Directly, the AI euphoria is supporting equities through earnings expectations. Indirectly it is supporting equities through capital investment that is bolstering the broader economy.

The scale of investment is staggering: hyperscalers' US capital expenditure alone is expected to approach US$2 trillion over the next two years. That excludes additional spending by companies around the world racing to build data centres.

As well as pumping up GDP growth, this is pumping up the global demand for capital.

For many years after the GFC, a sluggish world economy was throwing off more savings than was required to meet investment demand, hence neutral real interest rates were somewhere around zero.

Now, demand for investor savings from AI, defence, renewables and government borrowing is outstripping supply. Hence the rise in global interest rates, with the rise in real interest rates exacerbated by climbing inflation due to oil prices and other supply chain disruptions.

Indeed, the AI splurge has ended a run of years when US companies used excess funds to buy back shares. Share buybacks had the effect of making it easier to grow earnings per share and hence share prices. Now US companies have turned net issuers of stock again.

Of course, if AI turns out to be the world's biggest bonanza for model builders none of this will matter. But note that there are two conditions required for this:

- First, AI has to be immensely globally transformative; and
- Second, the model builders have to be able to capture a good percentage of the benefits generated.

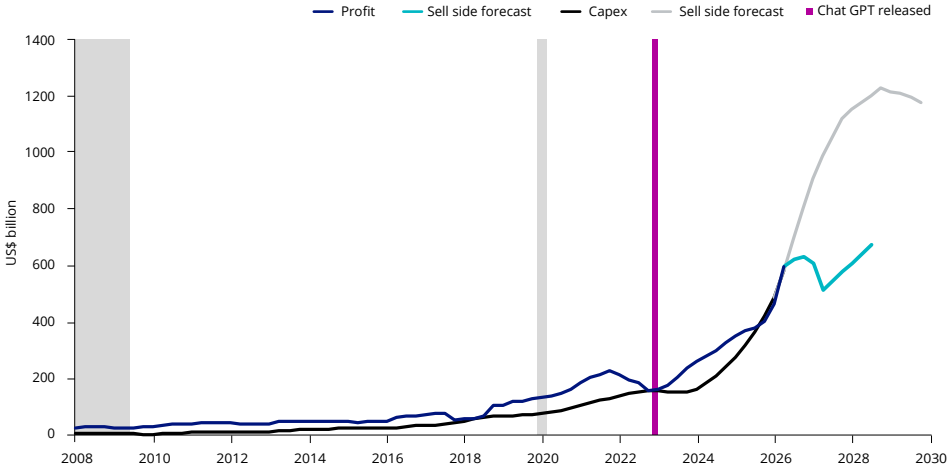
In other words, even if AI is genuinely transformative, the companies building the AI tools must be able to extract enough pricing power to pay a decent rate of return on the mind-boggling amounts of capex involved.

History is not supportive. Past similar booms, from fibre optics all the way back to electrification and railroads, tended to result in society-wide benefits (eventually) but usually resulted in the frontier businesses themselves mostly going broke first.

Indeed, there are already straws in the wind for AI.

Chart 5: The sell-side forecast implies a poor payoff

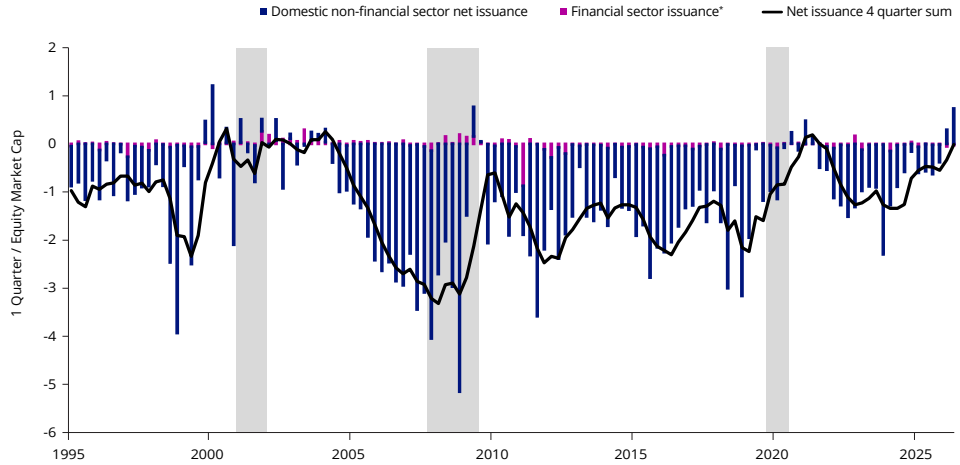
Hyperscalers CAPEX and earnings



Source: Bloomberg, Institutional Brokers' Estimate System/London Stock Exchange Group, National Bureau of Economic Research, August 2026. Shaded areas indicate recessions. Meta (from 2012), Alphabet, Oracle, Microsoft and Amazon.

Chart 6: Returning to a rare period of net issuance

US equity issuance, % of market cap



Source: Federal Reserve Economic Data, National Bureau of Economic Research, August 2026.
* Financial sector equity issuance is banks and general insurance. Shaded areas indicate recessions.

Clues for the future

US AI companies got underway with some classic loss-leading: flat rate subscriptions at far-below costs for corporate power users. Then, once customers were hooked, they tried to move pricing up to profitable levels.

The move to the more realistic pricing resulted in immediate, spectacular revenue growth and, naturally, a cheer from sellside analysts, who have built them into ongoing revenue and profit growth.

As an aside, it is these spectacular growth projections that are arithmetically keeping down prospective price-to-equity ratios and boosting prospective equity risk premium. It's important to note that these are projections now, not money in the bank.

But is the revenue growth sustainable? Anecdotally, many businesses have been shocked by the immense AI cost growth and have looked to tighten AI budgets. And, perhaps more worryingly, some businesses are turning to Chinese open weight models. While these models aren't up to frontier standards, the performance gap is perhaps surprisingly small, and the Chinese models are cheaper. This has led many analysts to consider that commoditisation is already underway.

SpaceX managed to time its launch beautifully, hitting the sweet spot in the revenue curve, and Anthropic seems keen to get its IPO away as soon as possible. OpenAI, meanwhile, appears keen to conserve cash, slowing down or halting much of its training. Perhaps cash conservation is a source of model builders' sudden apparent urge to slow down for "safety".

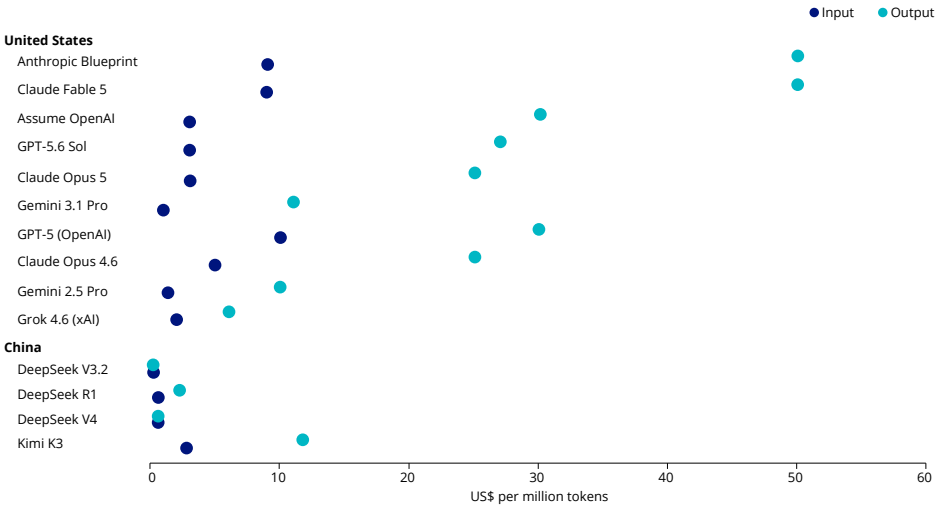
Bond markets appear alert to these risks, while equity markets seem to be less concerned. The cost of insuring hyperscaler debt against default is rising, even as comparable measures for government debt remain stable.

And if the revenue curves inflect the reckoning could be swift and painful. AI companies love quoting annualised revenue numbers (off undefined periods/growth rates); any softening of growth rates, let alone downturns, will result in a sharp re-rating.

More technically, sellside analysts' forecasts seem to congregate around 10-year depreciation scales, while Nvidia seems to think its chips are outdated after three years. Someone is wrong. And the revenue required to close the gap is not small.

Chart 7: For how long will businesses pay a "Western premium"?

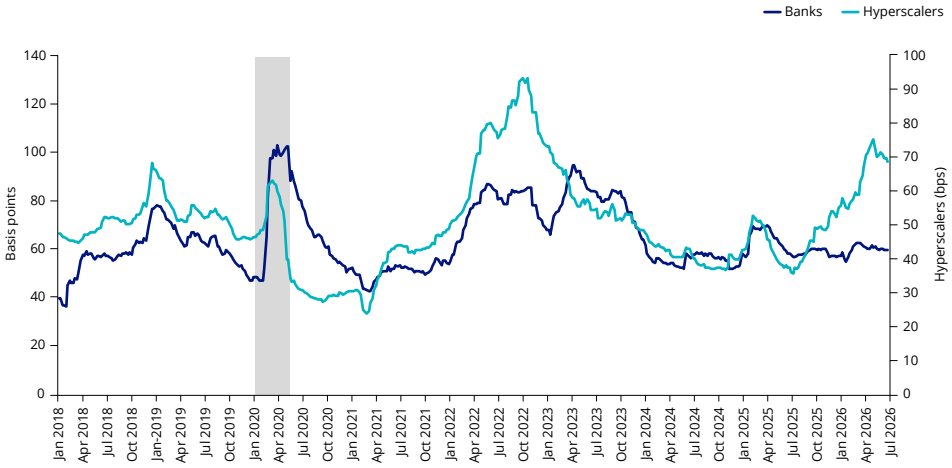
Price to use selected large language models



Source: Claude response to please provide a comparison of how much firms charge for their best-in-class AI models, including in the sample DeepSeek, Open AI and Anthropic's premium models, as well as the US hyper-scalers run 29 September 2026.

Chart 8: Starting to disconnect

5 year CDS spreads



Source: Bloomberg as at 21 September. Banks include JP Morgan, Citi Group, Bank of America, Wells Fargo and US Bancorp. Hyperscalers include Amazon, Google, Microsoft and Oracle. Shaded area indicates recession.

Fiscal, monetary and politics

Beyond direct demand for investible funds, AI is influencing interest rates through boosting the overall economy. Combined with continuing price pressures flowing from the Middle East, this left US Fed Chair Warsh with no choice but to hike rates in September.

Despite his attempts to hide behind strategic ambiguity, firming inflation and growth numbers resulted in the bond market calling his bluff. President Trump might be disappointed but there's no arguing with a unanimous vote.

Indeed, the US Administration should perhaps pause and consider its direct input into rising rates.

The ever-mounting US Government debt is a factor in pushing up interest rates, particularly at the longer end of the curve, where medium term expectations can outweigh near term monetary policy considerations. But the US isn't Robinson Crusoe, in a post-Covid world, many Western countries have taken a lax view on government finances.

Indeed, the latest surge in US long rates occurred around the same time US government gross debt surged through US$40 trillion, or roughly 120% of GDP. With a budget deficit running at 6% of GDP, and no corrective policy in sight, this is unsustainable.

Note that this is with an economy basically at full employment. If the US hits a recession, for whatever reason, the deficit will soar, as tax payments decline and social security payouts rise.

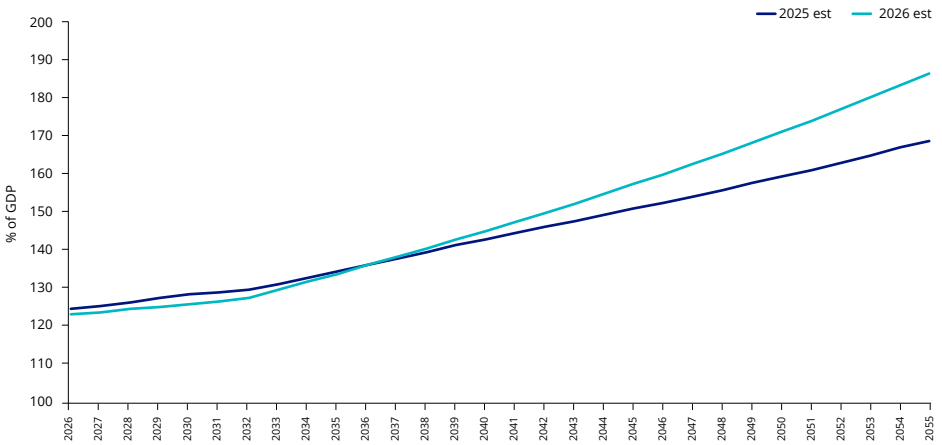
Indeed, as polling for the Republicans fades into the mid-terms, President Trump already has proclaimed a fiscal Hail Mary: if Republicans win both the Senate and the House, he has promised a US$5000 cheque per adult across the US. At face value, that's another US$1.3 trillion or more added to the budget deficit, taking it through 10% of GDP.

Markets shrugged it off as unlikely to occur.

A shift in congressional control could also bring two years of legislative gridlock and greater policy uncertainty, presenting its own challenges. And, on current polling trends, the latter looks to be the central case. There's always a chance of an October surprise, though that doesn't seem likely it will come from the Middle East, with the Iranians looking highly unlikely to allow Trump off the hook ahead of the mid-terms.

Chart 9: Projected to get worse, not better

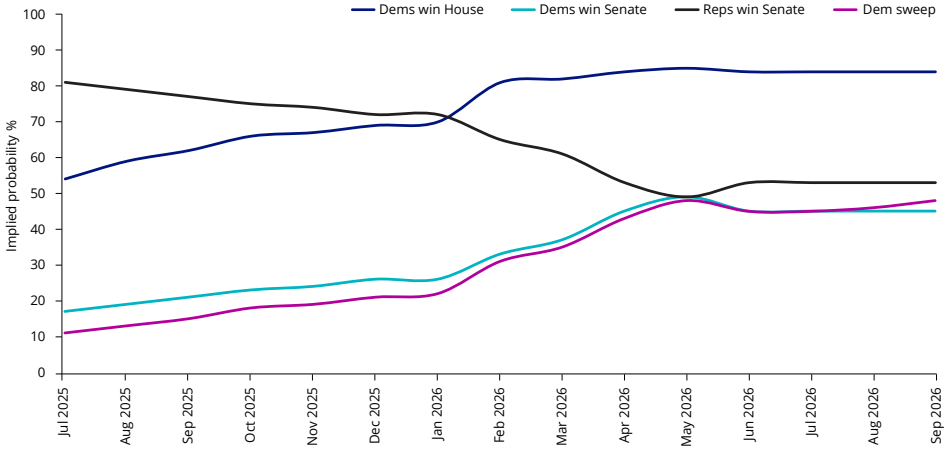
Congressional Budget Office Projection Gross Federal Debt



Source: Congressional Budget Office.

Chart 10: The odds of a US$5,000 cheque for all US adults looking slim

2026 midterm election odds



Source: William Blair Economics, DeFiRate, VanEck. Election: 3 Nov 2026.

Bond vigilantes

The Trump Administration has also had to try to respond directly to the bond vigilantes this past quarter.

Treasury Secretary Bessent's efforts to encourage bond buying have met with little success, a reminder of the power of markets from someone who helped shape Soros's successful bet against the Bank of England in 1992. In July, he had also noted "the bond market has taken out more governments than howitzers."

The easily recounted recent example was the short reign of UK Prime Minister Elizabeth Truss and her fleeting experiment in 2022 with an unfunded tax cut proposal that led vigilantes to sell British gilts en masse. Chaos in the bond market pushed her to resign after just 45 days.

The US faces a growing concern over who holds its debt. In recent years, central banks and reserve managers, typically noted as being steady, long-term investors, have been giving way to hedge funds. These funds often use bank borrowing to profit from small price differences between bonds and futures, rather than investing for the long term. That makes the market more vulnerable if those trades unwind.

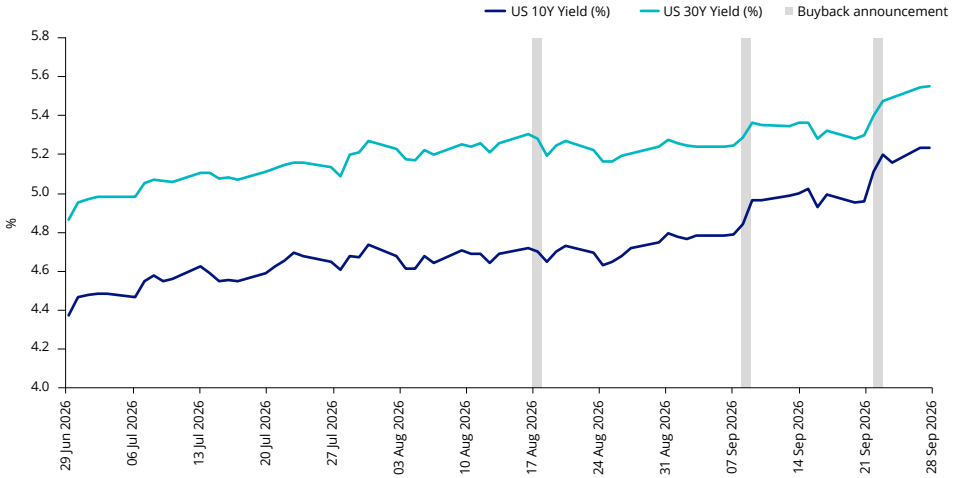
Bessent also tried to coax markets on USD/JPY, for little return. We agree that the yen looks undervalued, and that sustainable inflation means the Bank of Japan (BoJ) has more work to do.

But this could have unintended consequences. As Japanese bond yields rise, it may not take much to trigger a substantial flow of capital back to Japan. A strengthening yen could prompt Japanese investors, from pension funds and insurers to households, to bring money home before currency movements erode the value of their overseas holdings.

As one of the two or three biggest sources of global funds, this could be problematic for global rates, especially with China substituting gold for US assets whenever possible.

Chart 11: Bessent couldn't stop vigilantes pushing yields higher

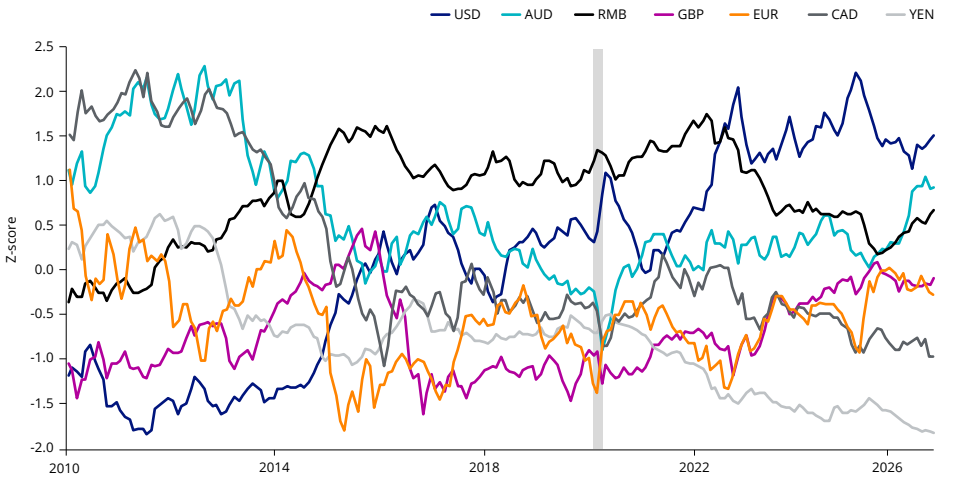
US treasury yields 29 June 2026 to 29 September 2026



Source: Bloomberg.

Chart 12: The yen is cheap

Real trade-weighted exchange rate



Source: Bank for International Settlements, National Bureau of Economic Research, 31 August 2026. Shaded area indicates a recession.

The quiet shift

On one level, China's status quo looks deceptively static, the renminbi is leisurely drifting stronger, local bonds are living up to their "safer haven" credentials, geopolitical risks linger though China can bite back, growth remains sluggish despite booming exports, and the authorities are not quite rushing to the rescue. Add to this a never-ending stream of "we need a bigger policy support package" commentary, and the picture seems almost complete.

But the details tell a more dynamic story, and in recent weeks several important developments occurred on the structural front, that could reinforce a more positive longer-term economic outlook, while reducing the market's cravings for short-term solutions, either "bandaids" or "bazookas".

First, the K-shaped recovery, where new sectors thrive and traditional ones lag, confirms that the new economy transition is gaining traction. This trend is mirrored in China's exports as well, and these sectors are topping the list of policy priorities.

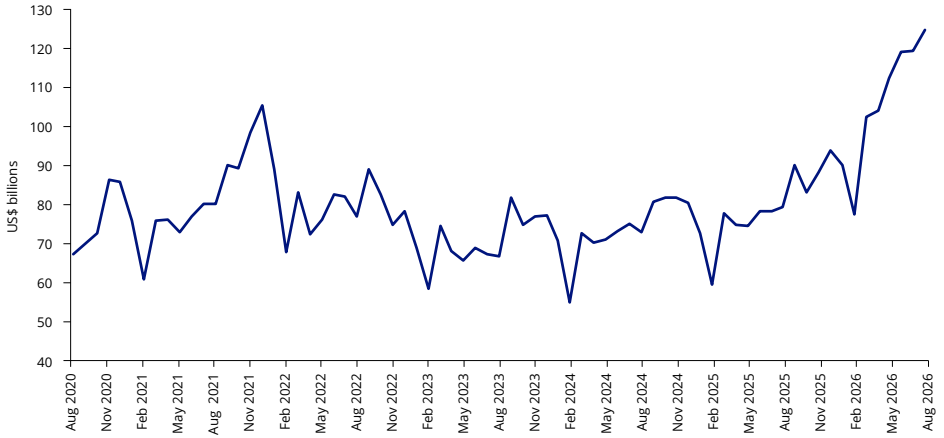
The other key priority, consumption, is still struggling, but the recently unveiled real estate reform could be a game changer. Often described as the most consequential systemic overhaul in a generation, its focus on project-based financing and completed home sales, as opposed to the pre-sales model, directly addresses a key driver behind high precautionary savings. If properly implemented, these measures could meaningfully improve the sector's supply-demand balance in the medium term and help boost consumption's role as a growth driver.

Another important policy signal came from the People's Bank of China (PBoC), which confirmed that the authorities are willing to accept softer growth in pursuit of structural transformation. The PBoC Governor emphasised that this implies a fundamental shift in credit demand, including the fact that high-tech companies rely less on debt, and the end of massive credit expansion that had long been the fuel behind China's growth engine.

On the portfolio side, this backdrop continues to anchor local yields, which outperformed both the emerging market benchmark and US Treasuries by a wide margin this year. China's ongoing economic transformation, away from export-led growth and towards stronger consumption, is also consistent with the renminbi's appreciation, which, in turn, could be a stabilising force for a broader set of emerging market currencies.

Chart 13: New sectors continue to thrive

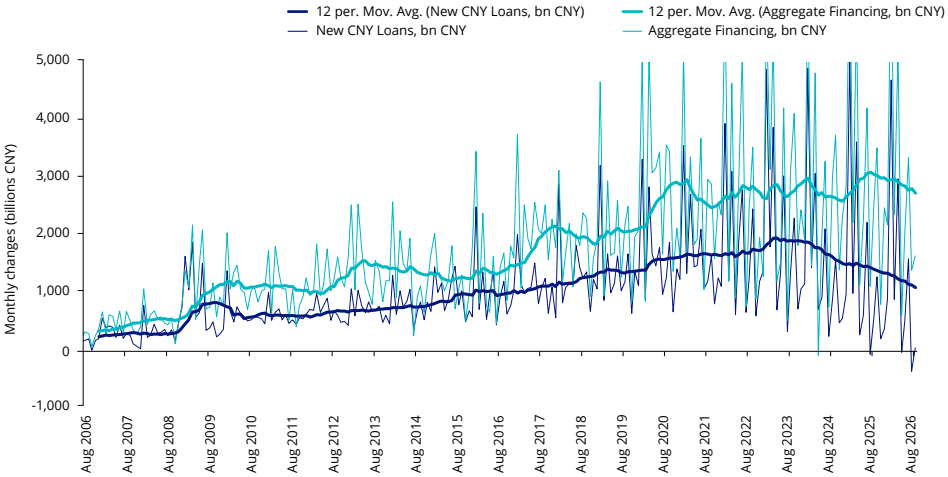
China high tech exports



Source: Bloomberg, as at August 2026.

Chart 14: Steady as she goes

China credit aggregates



Source: Bloomberg, as at August 2026.

Winners are grinners

Emerging markets bonds keep beating developed market bonds, despite wars and despite global rates that are increasingly correlated. The asset built to absorb risk, US treasuries, hasn't, and the one labelled riskier has.

The clearest example remains Chinese government bonds (CGBs). They have outperformed Treasuries this year through an Iran war, an energy shock, and now a renewed US rate sell-off. That is the price action of a reserve asset.

There are three reasons why, in our view, this has occurred.

First, the absence of fiscal dominance, in a world increasingly focused on it. Emerging market debt levels remain well below developed markets', which lets emerging market central banks stay independent and inflation focused. Developed markets are the opposite. Last week the US 5-year yield breached 5%, and US net interest outlays risk exceeding their 1980s–90s peak as a share of GDP, even at lower yields, because the debt stock is so much larger.

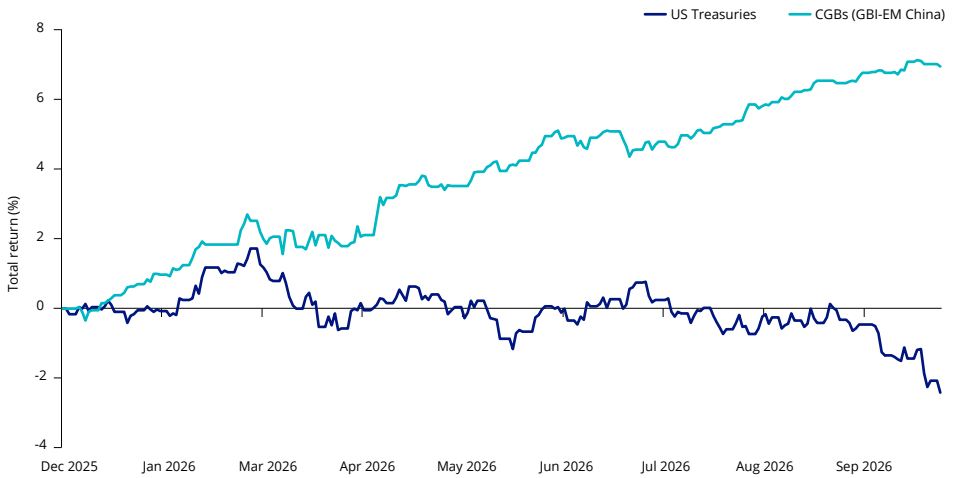
Second, commodities. Many emerging economies are exporters, so the same geopolitical shocks that bring stagflation to importing developed markets bring windfalls to them. Emerging markets have winners and losers; developed markets have mostly losers.

Third, demand for safe assets other than Treasuries. Central banks have been diversifying into gold and "other" reserve assets, and emerging market local bonds are part of that demand. The result is lower volatility: Emerging market local bond volatility is currently below that of developed market sovereigns.

The key risk however is correlation. Developed market fiscal stress is pushing global rates higher and dragging emerging market rates along, as partly happened last week. The other big risk is a US dollar rally, which would hit local currency returns. Both are real, but emerging markets' lower debt and higher real rates give it more cushion than developed markets to absorb them.

Chart 15: Chinese government bonds (CGBs) doing what US Treasuries (UST) are supposed to do

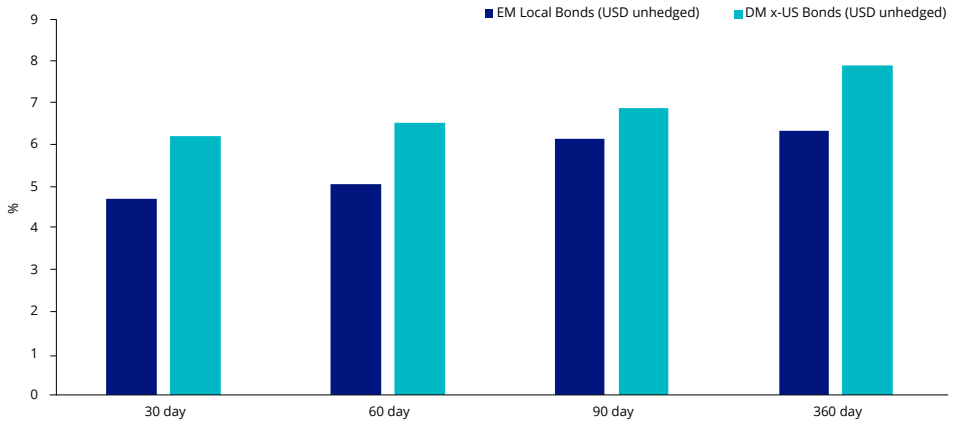
USTs vs CGBs in 2026 YTD (total return, %)



Source: Bloomberg, 1 January 2026 to 29 September 2026. Returns in US dollars. CGBs is the China sleeve of EM local bonds is J.P. Morgan Government Bond Index-Emerging Markets.

Chart 16: Emerging market local bonds less volatile than developed market sovereigns

Latest volatility



Source: Bloomberg, as at 29 September 2026. EM local bonds is J.P. Morgan Government Bond Index-Emerging Markets (GBI-EM). DM x-US Bonds is Bloomberg Global Treasury Large Markets DM ex US Index. Volatility measured as daily standard deviation of returns.

Gold beyond the ballot

When the US Treasury attempted to contain pressure at the long end of the yield curve by buying US$4 billion in bonds during the quarter (later increased to US$6 billion) yields rallied on the announcement, the move was short lived and had reversed by late August. However, it did signal mounting concerns about government debt, interest costs and structurally higher term premia. This move contributed to 'safe haven' gold and its miners helping contribute to a strong quarter.

Gold tends to do well in uncertainty, and the path forward remains uncertain. While the upcoming US election is a consideration, we believe gold investors should focus less on the election result itself than on the policy path and market reaction that follow. The implications for the US dollar, interest rates and fiscal policy are likely to matter more for gold than the party outcome itself.

The 2014 midterms offer one example: Republicans gained control of the Senate and expanded their House majority, while the immediate market reaction included a stronger US dollar and sharp weakness in gold. Investors should therefore closely watch the US dollar, interest rates and real yields, bullion ETF flows and central-bank purchases, as well as broader inflation and recession indicators.

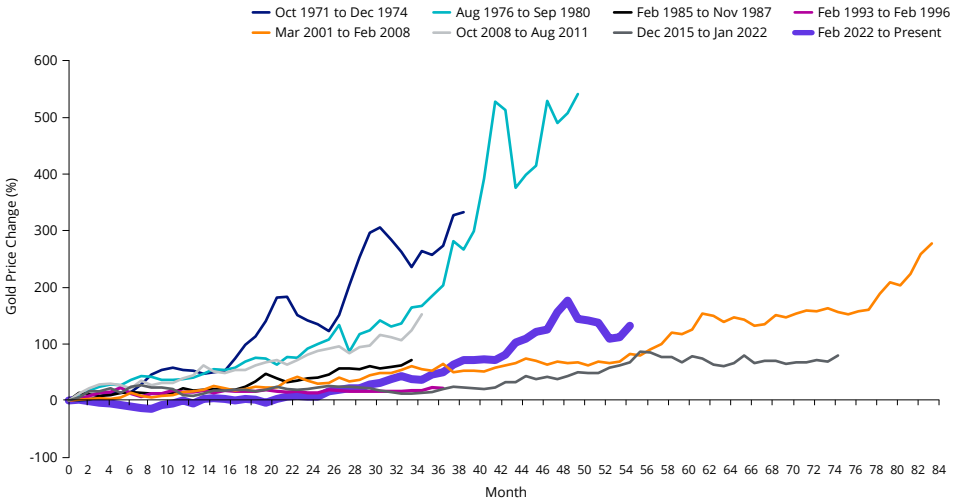
For miners, key variables include the gold price relative to all-in sustaining costs, along with energy and labour cost trends. With gold near US$4,100 per ounce and industry costs well below that level, margins remain historically strong, providing support largely independent of the election outcome.

In our view, the largest opportunity through year-end is continued investment demand for gold alongside a further re-rating of gold mining equities. The market's focus on US debt, bringing greater attention to the country's longer-term fiscal trajectory, potentially reinforces gold's appeal as a hedge against fiscal, currency and financial-market risk.

For miners, strong gold prices relative to production costs continue to support historically elevated margins and free cash flow, allowing companies to strengthen balance sheets, return capital and fund growth while maintaining greater capital discipline.

The principal risk is a resurgence in the US dollar and interest rates, particularly if persistent inflation requires the Fed to maintain a more restrictive policy stance. A soft landing, higher real yields or renewed dollar strength could weigh on gold, while profit-taking or liquidity-driven selling following its strong run could create additional near-term volatility. These factors may affect the pace of returns even if the longer-term fundamental backdrop for gold remains positive.

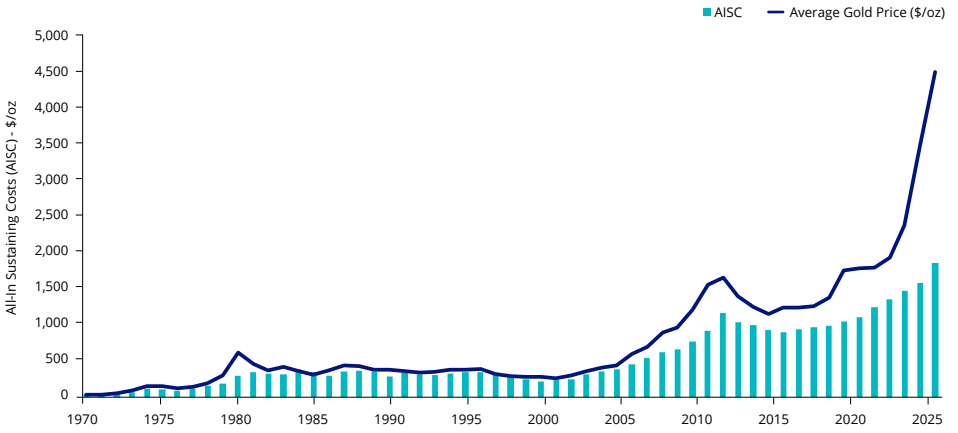
Chart 17: Despite a pullback, ongoing uncertainty suggests gold is still in the middle of a bull run



Source: Bloomberg, VanEck, data to end of August 2026.

Chart 18: At current gold prices margins are strong

Gold industry all-in sustaining costs (AISC)



Source: Scotiabank, data as of June 2026.

Between rates and a hard place

Australia continues to muddle through, with the RBA maintaining a firm brake on economic activity. Unsurprisingly, this has left the local sharemarket in the doldrums.

It's hard to see a way out of this in the near term. While even RBA Governor Bullock now admits Australian businesses have become less dynamic and need to invest more to increase competitiveness and productivity, there's nothing she can do about that.

When all you have is a hammer, every problem is a nail.

Unemployment remains low and trimmed mean inflation refuses to budge from 3.6 per cent. Services inflation remains sticky and wage pressures continue to be exacerbated by the increase in the minimum wage by 6 per cent and award wages by 4.75 per cent. In our view the RBA may very well need to raise rates, not once but twice before the end of this year to tame inflation back to its 2 to 3 per cent target.

Services inflation also remains sticky. The minimum wage increase of 6 per cent and the award wage increase of 4.75 per cent may well filter into increases received by higher income earners during the year. Public sector wage growth for the year to 30 June 2026 was also relatively high at 3.4 per cent ahead of the private sector at 3.1 per cent. The GDP print of 0.4 per cent for the second quarter and 2.1 per cent annually suggests the economy is slowing but is firmer than expected. The higher unit labour costs will be of concern to the RBA.

Employment numbers are still strong. The minimum wage increase of 6 per cent and the award wage increase of 4.75 per cent may well filter into increases received by higher income earners during the year, which we are yet to see. Energy prices continue to rise.

The housing market is correcting. How far, no one knows. Consumer sentiment is also weak. And continued rate rises put pressure on an already strained private credit market.

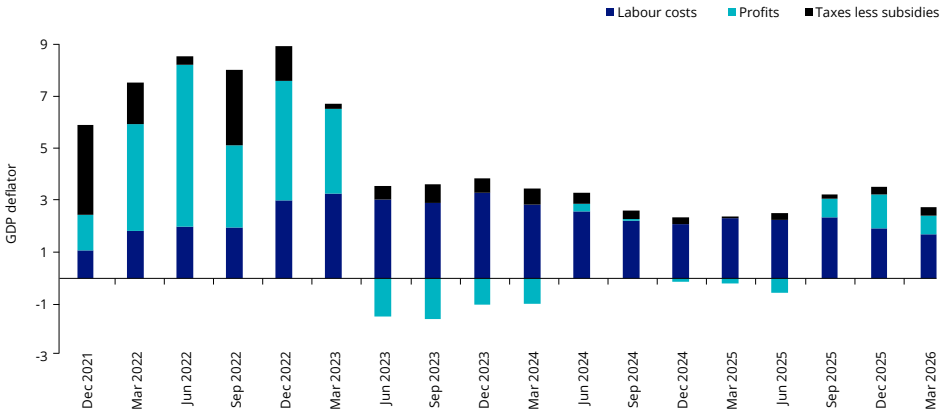
A sluggish economy does little to encourage business investment, which is largely driven by capacity utilisation and expectations of future growth.

The RBA has a hammer to deal with cost pressures that appear likely to remain elevated, and it will continue to use it, until our morale improves, or Australia tumbles into outright recession.

For investors, this is an environment in which equity market leadership may not stay narrow. Spreading exposure across a broader set we believe could be a sensible way to stay invested in Australian equities without doubling down on the Australian bourse's most crowded corners. Seeking out those profitable companies with resilient fundamentals and the financial strength to withstand more difficult conditions could be prudent.

Chart 19: What's causing prices to rise?

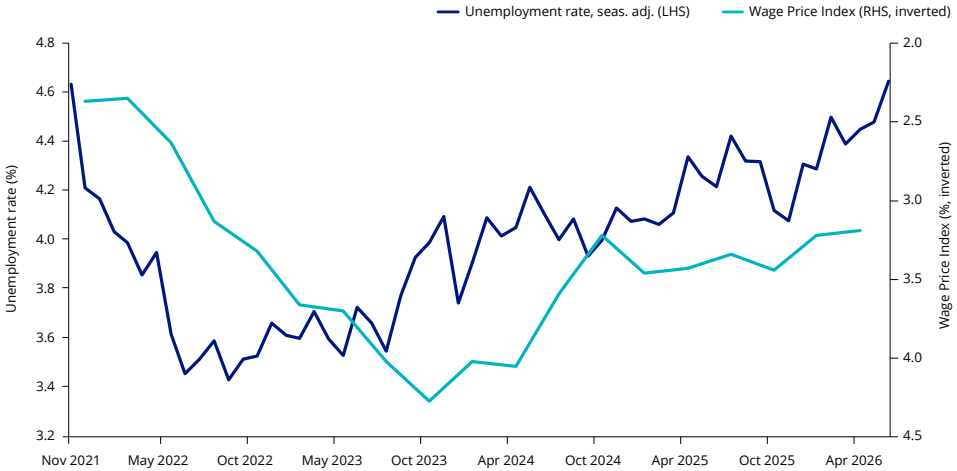
Contributions to inflation



Source: Organisation for Economic Co-operation and Development, June 2026.

Chart 20: The RBA will be watching this too

Unemployment vs Wage Price Index (inverted)



Source: Australian Bureau of Statistics, August 2026, unemployment seasonally adjusted monthly data, Wage Price Index quarterly data.

VanEck's range of Exchange Traded Funds on ASX

	VanEck Fund	ASX code	Index	Management fees (p.a.)*
Australian Equity	Australian Equal Weight ETF	MVW	MVIS Australia Equal Weight Index	0.35%
	Geared Australian Equal Weight Complex ETF	GMVW	Geared exposure to MVW	0.35%^
	MSCI Australian Quality Plus ETF	AQTY	MSCI Australia IMI Quality Plus Index	0.35%
Australian Small and Mid Companies	Small Companies Masters ETF	MVS	MarketGrader Australia Small Cap 60 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 Resources ETF	MVR	MVIS Australia Resources Index	0.35%
	Australian Banks ETF	MVB	MVIS Australia Banks Index	0.28%
Sustainable Investing	MSCI International Sustainable Equity ETF	ESGI	MSCI World ex Australia ex Fossil Fuel Select SRI and Low Carbon Capped Index	0.55%
	MSCI Australian Sustainable Equity ETF	GRNV	MSCI Australia IMI Select SRI Screened Index	0.35%
Global Sector	Gold Miners ETF	GDX	NYSE Arca Gold Miners Index® (AUD)	0.53%
	FTSE Global Infrastructure (AUD Hedged) ETF	IFRA	FTSE Developed Core Infrastructure 50/50 Index Hedged into AUD	0.20%
	FTSE International Property (AUD Hedged) ETF	REIT	FTSE EPRA Nareit Developed ex Australia Rental Index AUD Hedged	0.20%
	Global Healthcare Leaders ETF	HLTH	MarketGrader Developed Markets (ex-Australia) Health Care AUD Index	0.45%
	Global Defence ETF	DFND	MarketVector Global Defence Industry (AUD) Index	0.65%
	Uranium and Energy Innovation ETF	URAN	MarketVector Global Uranium and Nuclear Energy Infrastructure Index	0.59%
	Global Semiconductor ETF	SMHG	MarketVector Global Semiconductor (AUD) Index	0.35%
	Rare Earth and Strategic Metals ex China ETF	RESM	MarketVector Global Rare Earth/Strategic Metals Ex-China (AUD) Index	0.59%
	Quantum ETF	QNTM	MarketVector Quantum Computing Ecosystem (AUD) Index	0.65%
Commodity	Gold Bullion ETF	NUGG	Tracks the price of gold	0.14%
International	MSCI International Quality ETF	QUAL	MSCI World ex Australia Quality Index	0.40%
	MSCI International Quality (AUD Hedged) ETF	QHAL	MSCI World ex Australia Quality 100% Hedged to AUD Index	0.43%
	MSCI Multifactor Emerging Markets Equity ETF	EMKT	MSCI Emerging Markets Multi-Factor Select Index	0.69%
	Dynamic International Equity ETF	GOAT	Akros Enhanced World ex Australia Index	0.49%
	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%
	China New Economy ETF	CNEW	MarketGrader China New Economy Index	0.95%
	India Growth Leaders ETF	GRIN	MarketGrader India Growth Leaders 50 Index	0.75%
	FTSE China A50 ETF	CETF	FTSE China A50 Index	0.60%
	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%
	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 International Growth ETF	GWTH	MSCI World ex Australia Growth Select Index	0.40%

*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

	VanEck Fund	ASX code	Index	Management fees (p.a.)*
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 RMBS ETF	RMBS	ICE 0.5-3 Year AAA Large Cap Australian RMBS Index	0.29%
	Australian Subordinated Debt ETF	SUBD	iBoxx AUD Investment Grade Subordinated Debt Mid Price Index	0.29%
	Australian Fixed Rate Subordinated Debt ETF	FSUB	iBoxx AUD Fixed Investment Grade Subordinated Debt Mid Price Index	0.29%
	1-3 Month US Treasury Bond ETF	TBIL	Bloomberg U.S. Treasury Bills: 1-3 Months Unhedged AUD Index	0.22%
	1–5 Year Australian Government Bond ETF	1GOV	S&P/ASX iBoxx Australian & State Governments 1-5 Index	0.22%
	5–10 Year Australian Government Bond ETF	5GOV	S&P/ASX iBoxx Australian & State Governments 5-10 Index	0.22%
	10+ Year Australian Government Bond ETF	XGOV	S&P/ASX iBoxx Australian & State Governments 10-20 Index	0.22%
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%
Alternatives	Global Listed Private Equity ETF	GPEQ	LPX50 Index	0.65%
	Global Listed Private Credit (AUD Hedged) ETF	LEND	LPX Listed Private Credit AUD Hedged Index	0.65%
Digital Assets	Bitcoin ETF	VBTC	Tracks the price of bitcoin	0.45%

	VanEck Active Fund	ASX code	Benchmark	Management fees (p.a.)*
Emerging Market Bonds	Emerging Income Opportunities Active ETF	EBND	50% JPM EMBI Global Diversified Hedged AUD and 50% JPM GBI-EM Global Diversified	0.95%
Global Capital Securities	Global Capital Securities Active ETF	GCAP	RBA Cash Rate + 3% per annum	0.59%
Australian Equity	Australian Long Short Complex ETF	ALFA	S&P/ASX 200 Accumulation Index	0.39%
Cash & fixed income	Cash Plus Active ETF	MONY	Bloomberg AusBond Bank Bill Index	0.15%
Diversified	Core+ Diversified Balanced Active ETF	VBAL	Australian CPI+ 3% per annum	0.39%
	Core+ Diversified Growth Active ETF	VGRO	Australian CPI+ 4% per annum	0.39%
	Core+ Diversified High Growth Active ETF	VHGR	Australian CPI+ 5% per annum	0.39%

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

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