VanEck™

Access the opportunities.

VanEck ETF Model Portfolios

Powered by Lonsec Investment Solutions

Lonsec Investment Solutions

Using ETFs for Strategic Asset Allocation

Over the past ten years the investment industry has experienced a rapidly changing environment with turbulent markets, changes in regulation and evolving technology. As a result, clients are scrutinising their investments more closely in search for performance, value and transparency in an increasingly cost conscious world. VanEck ETF Model Portfolios are designed to address each of these factors while providing effective building blocks to help provide a strong foundation for your clients.

Asset allocation is a critical element of any investment strategy. It forms the basis of a prudent investment policy and drives the bulk of an investor's risk and return outcome.

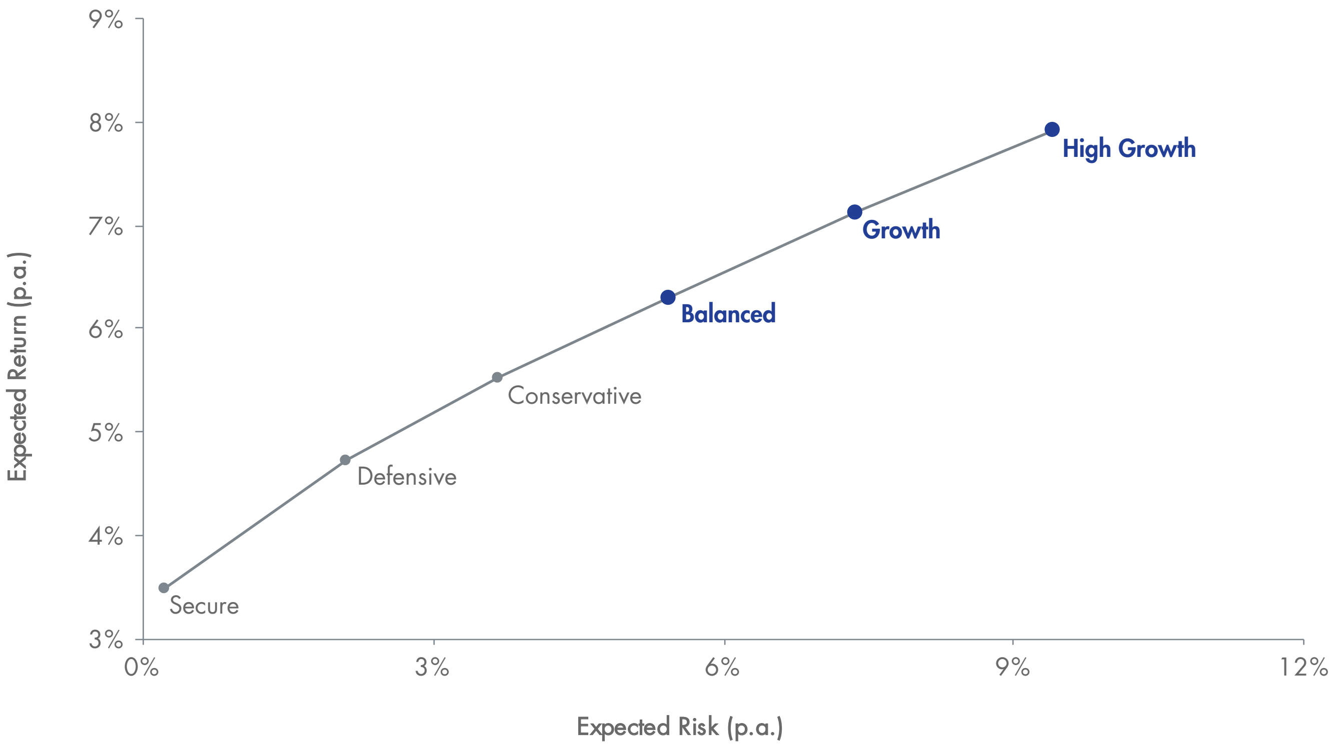
VanEck has partnered with Lonsec Investment Solutions Pty Ltd (Lonsec) to provide three low-cost model portfolios comprised entirely of exchange traded funds (ETFs). The VanEck ETF Model Portfolios are designed to give advisers and brokers tools to quickly and efficiently construct cost effective and diversified portfolios to help meet their clients' investment objectives.

All ETFs included in the models must have a minimum 'Lonsec recommended rating' with ongoing oversight by Lonsec and quarterly performance reporting.

VanEck ETF Model Portfolios draw on Lonsec's well established research and portfolio construction expertise to provide recommended strategic asset allocations tailored to three risk categories: Balanced, Growth and High Growth. Each model portfolio has been developed to meet the needs of a range of investor risk profiles and investment objectives.

The following graph shows the long term risk and return expectations for Lonsec's strategic asset allocation profiles.

Lonsec Efficient Frontier



Source: Lonsec Research – Efficient Frontier 2016

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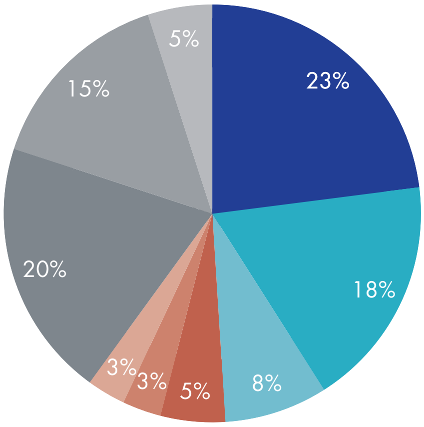
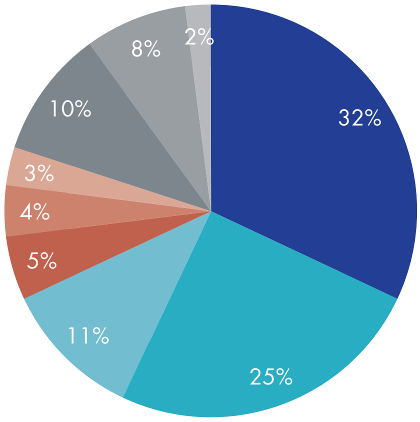
Balanced



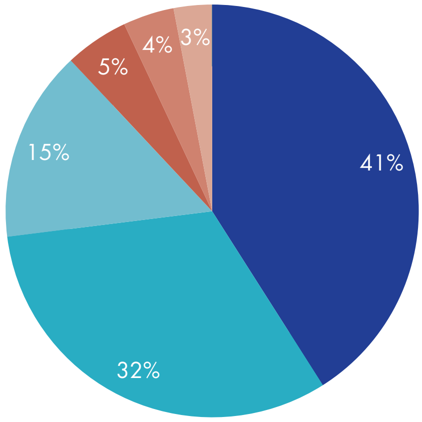
Management cost^: **0.29% p.a.**
Performance since inception*: **8.50% p.a.**

Growth



Management cost^: **0.32% p.a.**
Performance since inception*: **10.20% p.a.**

High Growth



Management cost^: **0.35% p.a.**
Performance since inception*: **11.80% p.a.**

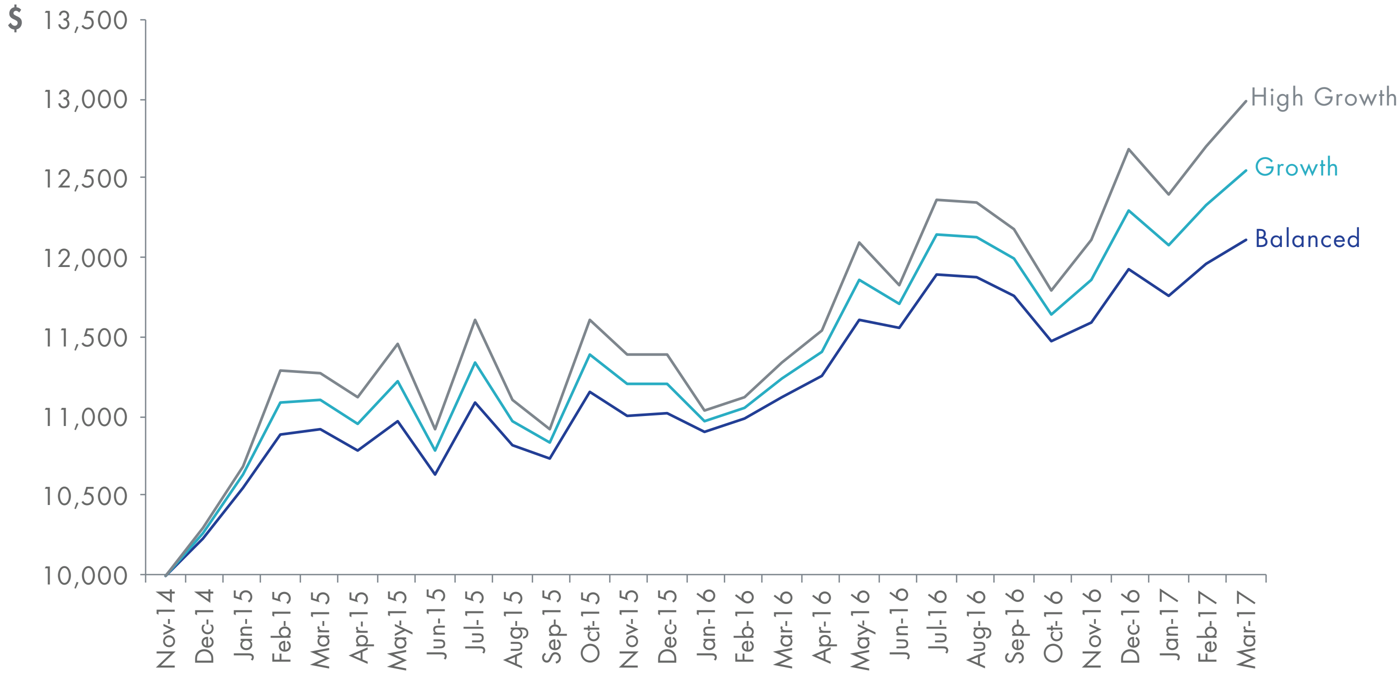
MVW	Vaneck Vectors Australian Equal Weight ETF
QUAL	Vaneck Vectors MSCI World Ex Australia Quality ETF
VGS	Vanguard MSCI Index International Shares ETF
MVA	Vaneck Vectors Australian Property ETF
DJRE	SPDR Dow Jones Global Real Estate ETF
IFRA	Vaneck Vectors FTSE Global Infrastructure (Hedged) ETF
IAF	iShares Composite Bond Index ETF
VIF	Vanguard International Fixed Interest Index (Hedged) ETF
CASH	RBA cash rate

^Management costs are estimates as of 31 March 2017 calculated as a weighted average of the management costs disclosed in the product disclosure statements for the underlying ETFs in the model portfolio. *Performance returns are calculated using actual returns of the ETFs in the model portfolio, net of management fees and costs and assuming reinvestment of any distributions. Performance does not include brokerage costs of investing in the ETFs on ASX. Performance since inception return was calculated from 30 November 2014. Due to short trading history: allocation to IFRA prior to April 2016 uses to DJRE; allocation to VIF prior to December 2015 uses Vanguard International Fixed Interest Fund. Past performance is not indicative of future performance.

Hypothetical performance of VanEck ETF Model Portfolios*

Period	Balanced	Growth	High Growth
1 Month	1.30%	1.70%	2.10%
3 Months	1.60%	1.90%	2.30%
6 Months	2.90%	4.60%	6.50%
1 Year	8.80%	11.60%	14.50%
Performance since inception	8.50%	10.20%	11.80%

Hypothetical cumulative growth of $10,000*



*Performance returns are hypothetical calculated using actual returns of the ETFs in the model portfolio (see page 3). Returns are net of management fees and costs and assuming reinvestment of any distributions. Performance does not include brokerage costs of investing in the ETFs on ASX. Past performance is not indicative of future performance.

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