Access the opportunities.

Tariff turbulence

April 2025

American economist Harry Markowitz is credited with saying that "diversification is the only free lunch in investing." The problem for the past quarter is that not everyone was eating. Unloved and under owned assets came to the fore during the first quarter of 2025.

Gold was the best-performing asset class over the quarter, bested only by its miners. Gold miners are associated with being a leveraged play to gold. The theory is that when the gold price rises, its miners rally by more and vice versa. In the recent past, however, this leverage has seemingly only been on the downside. Miners may have more room to run.

It's not just gold miners. As investors reconsider their US equity exposure, Europe has become an investable alternative again. The US represents over 70% of the MSCI World Index. International value managers may have been the only investors diversified to Europe during the quarter.

The story of the past quarter has been Trump's tariffs. They have moved markets as they have been announced, as they have been paused and as they have been confirmed. Now that they have been announced, they vary and the immediate impact was a fall in S&P 500 and NASDAQ futures.

The biggest sector of the US's S&P 500, information technology, has dragged its market down, but under owned sectors such as energy and financials have had positive quarters. The question investors are wondering is if this is the start of a new economic regime. Tariffs will be the norm, and with them, the potential for associated inflation. The Fed has already described this inflation as transitory.

The ultimate long-term impact is uncertain, and markets don't like uncertainty. Tweets and data prints will continue to move markets. The US economy is wavering, but its consumer remains strong, so it could avoid a Trump-cession.

Europe, after a period in the doldrums, appears to be heading in the right direction. Chinese authorities are also doing the right things to reinvigorate consumers there.

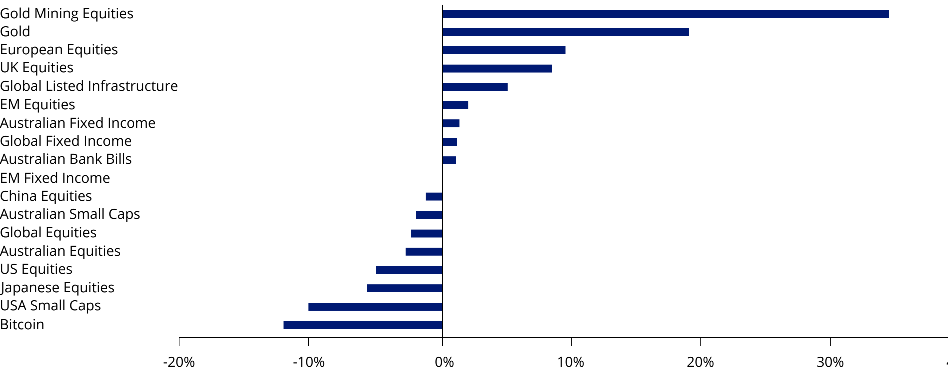
Locally, however, Australia is precariously placed. Our central bank issued a hawkish statement as it dovishly decided to ease rates during the past quarter. This coming quarter, we are headed to the polls, with the outcome far from certain. But uncertainty is a feature of markets.

We are headed for a paradigm shift. As investors assess their portfolios, we think opportunities will present themselves for diversification into once under owned, unloved corners of the capital markets. Diversifying into assets many may have never owned (gold and EM, should the US dollar come off further) or diversifying into styles that have been out of favour (value).

Turbulent markets can present opportunities.

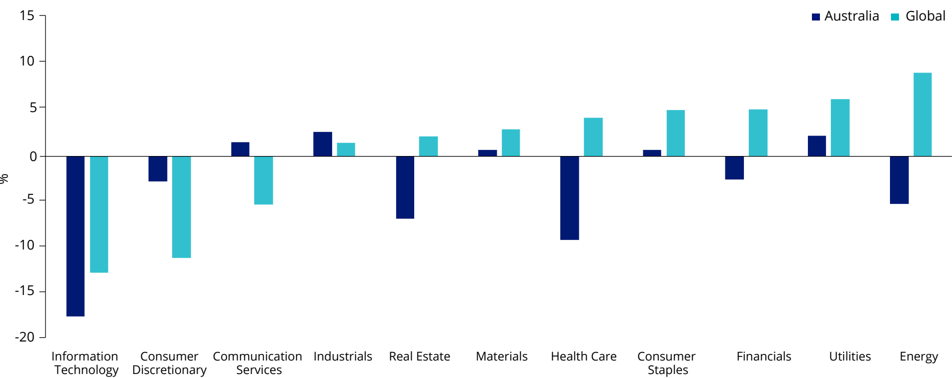
"The only investors who shouldn't diversify are those who are right 100% of the time" – **Sir John Templeton**

Chart 1: Mainstream asset class returns for the quarter



Source: 1 January 2025 to 31 March 2025, returns in Australian dollars. Gold Equities 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 a reliable indicator of future performance.

Chart 2: Global and Australian equity sectors quarterly performance



Source: 1 January 2025 to 31 March 2025, 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.

Goodbye TINA, hello FRED!

A few months ago, US investors exhibited record levels of confidence buoyed by artificial intelligence (AI) euphoria, expectations of tax cuts and deregulation.

The level of market confidence had many investors questioning their previously held assumptions. The US was priced to perfection, and it was hard to see what would derail the train. Last quarter, we mused that nothing short of a bond market riot would take the wind out of investor sails, at least until Inauguration Day.

In the end, something resembling a minor bond market riot got underway before President Trump's inauguration. A few weeks after that, equities got the message.

The message had two parts: Trump means what he says, and, given that, it isn't wise to own things priced to perfection in the face of such uncertainty.

Now, markets have got caught up in the noise of announcements. They are wavering back and forth between hope and fear.

It makes more sense to step back a little. Trump is implementing tariffs. Potentially, this will be in fits and starts. There will be retaliation, and the impact may be higher inflation and lower global growth.

There have been some additional surprises over the past quarter, and not all the surprises have been negative, though they do feed into broader market realignments.

We have seen a much sharper attack on the US Government by Elon Musk and his Department of Government Efficiency (DOGE) team than was earlier expected. It's worth noting that this won't be the herald of some new fiscal golden age because the numbers don't seem to reconcile. In the short term, it could result in more chaos and potentially income and confidence losses, which could undermine spending and growth.

At this stage, we do not see this slower growth turning into outright recession because household incomes are solid. But with less government spending and income support, plus wavering consumer and business confidence, it pays to maintain a careful watch. Watch non-farm payrolls like a hawk.

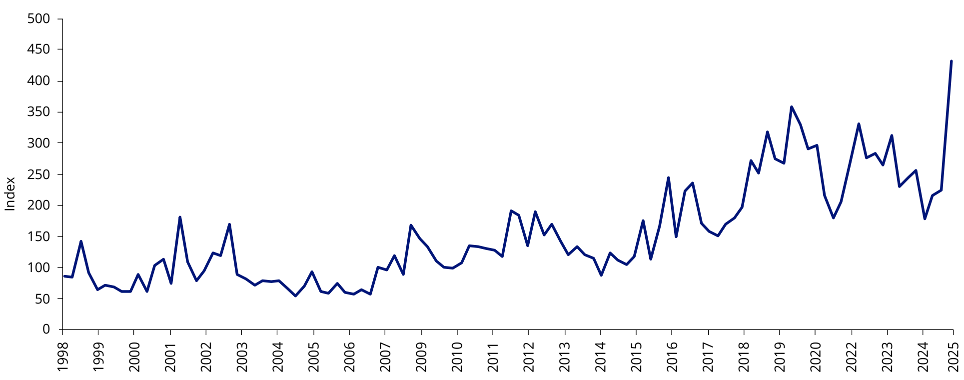
On the plus side, we've seen surprising responsiveness to Trump's belligerence from Europe and China. After years of macro and market underperformance, both have started to look like competitive destinations for capital.

At the same time, policy uncertainty argues for more diversification. The US generates roughly 20 per cent of global GDP, 40 per cent of global profits and it represents 70 per cent of global market capitalisation. Without any judgment on future relative outcomes, diversification, a tenet of modern portfolio theory, would suggest it is wise to seek alternatives.

Say goodbye to TINA (There Is No Alternative). Say hello to FRED (Finally Relativities Encourage Diversification).

Chart 3: Uncertainty in politics hitting record highs

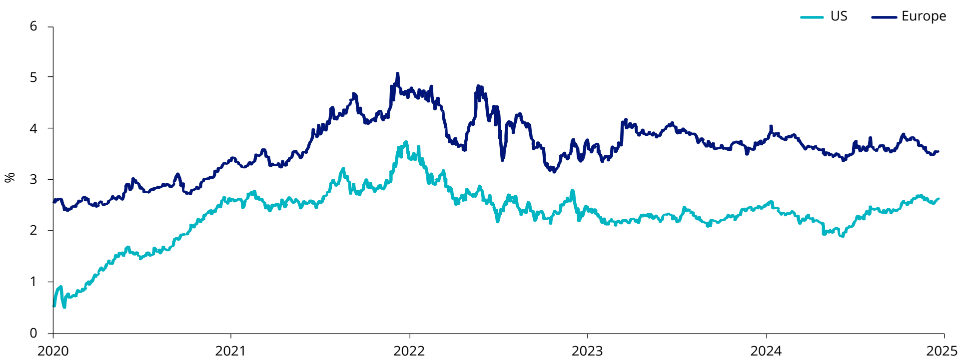
Global Economic Policy Uncertainty Index



Source: Bloomberg. Data from March 1997 to March 2025.

Chart 4: It's back

Inflation expectations - US and Europe



Source: Bloomberg. US inflation expectations - US 5-year breakeven rate. European inflation expectations - UK 5-year breakeven rate. Data from March 2020 to March 2025.

Tariffs, growth and inflation prospects

Markets are swinging back and forth on every tariff announcement, thought bubble and tweet. There will be a significant bump in tariffs, and there will be retaliation.

The latest Organisation for Economic Co-operation and Development (OECD) projections show a modest loss of growth across the world and OECD economies, with weakness concentrated in North America.

China's growth prospects are relatively undiminished. The outcome of the Government's domestic economic policy aimed at revitalising its property market has more impact on the nation's long-term economic recovery than the impact of tariffs.

The US inflation impacts are, expectedly, worse. US core inflation is expected to run at 3 per cent through 2025, retreating only to 2.6 per cent through 2026.

This stands in sharp contrast to the Federal Open Market Committee's (FOMC's) latest, optimistic projections. While the committee has projected core PCE jumping to 2.8 per cent this year, it's close to target again next year (2.2 per cent) and on target the following year.

It's hard to believe a rolling series of tariff moves, involving heavily interlinked supply chains, alongside the proposed deportations and trend GDP growth, could see instant, immaculate disinflation.

The word 'transitory' was used, and it triggers the memory of the COVID inflation episode. We hope the US Federal Reserve (Fed) forecasters learnt from that recent lesson.

With inflation expectations also surging, to continue with a median forecast of two rate cuts, amid barely changed growth projections, this year could be seen as hopeful. Of course, for capital markets, rate cuts and growth unabated is the sugar hit US equities need.

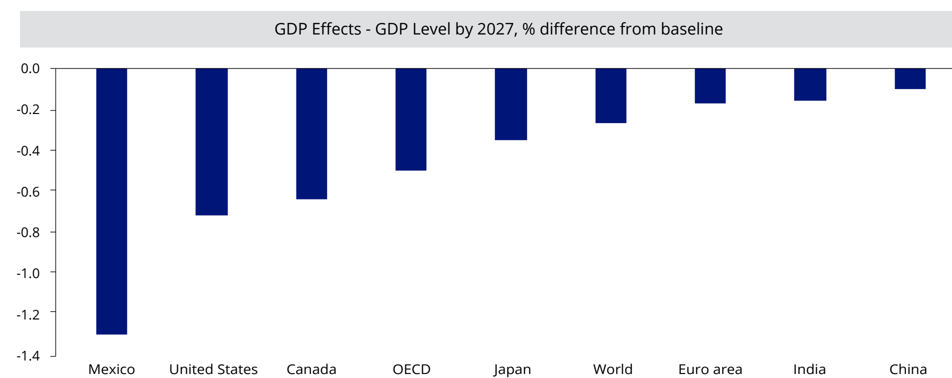
Not everyone agrees that the slowdown will be moderate. Markets recently have had a couple of episodes of recession jitters, triggered by softer data. The Atlanta Fed GDP Nowcast has slumped to roughly negative 2 per cent this quarter.

This is an overstatement due to gold imports (not counted in GDP), rising other imports (likely a timing effect aimed at beating tariffs) and, potentially, one weather-affected month of consumer spending.

Nonetheless, it currently points to a solid step down in the pace of growth (to 0–1 per cent range from over 2 per cent) and bears watching.

Chart 5: The impact of tariffs

Simulations of an additional 10% rise in tariffs between the US and all other countries



Note: The simulation assumes bilateral tariffs are raised permanently by 10% on all non-commodity imports into the United States with corresponding increases on tariffs applied to non-commodity imports from the United States in all other countries.

Source: OECD calculations using the NiGEM global macroeconomic model and the OECD METRO model.

Chart 6: The return of 'transitory'

Fed economic projections, March 2025

Variable	Median[1]			
	2025	2026	2027	Longer run
Change in real GDP	1.7	1.8	1.8	1.8
December Projection	2.1	2.0	1.9	1.8
Unemployment rate	4.4	4.3	4.3	4.2
December Projection	4.3	4.3	4.3	4.2
PCE Inflation	2.7	2.2	2.0	2.0
December Projection	2.5	2.1	2.0	2.0
Core PCE Inflation[2]	**2.8**	**2.2**	**2.0**	
December Projection	2.5	2.2	2.0	
Federal funds rate	3.9	3.4	3.1	3.0
December Projection	3.9	3.4	3.1	3.0

Source: US Federal Reserve. Note: Projections of change in real gross domestic product (GDP) and projections for both measures of inflation are percent changes from the second quarter of the previous year to the second quarter of the year indicated. PCE inflation and core PCE inflation are the percentage rates of change in, respectively, the price index for personal consumption expenditures (PCE) and the price index for PCE excluding food and energy. Projections for the unemployment rate are for the average civilian unemployment rate in the Second quarter of the year indicated. Each participant's projections are based on his or her assessment of appropriate monetary policy. Longer-run projections represent each participant's assessment of the rate to which each variable would be expected to converge under appropriate monetary policy and in the absence of further shocks to the economy. The projections for the federal funds rate are the value of the midpoint of the projected appropriate target range for the federal funds rate or the projected appropriate target level for the federal funds rate at the end of the specified calendar year or over the longer run. The projections were made in conjunction with the meeting of the Federal Open Market Committee on 18 March 2025.

1. For each period, the median is the middle projection when the projections are arranged from lowest to highest. When the number of projections is even, the median is the average of the two middle projections. 2. Longer-run projections for core PCE inflation are not collected.

Payrolls and DOGE

There is no doubt that consumer confidence has taken a sharp hit, with Conference Board consumer sentiment back to lows not seen since COVID. But, at the same time, all the hit is in expectations with current conditions fine.

Over time, confidence usually converges on income, not the other way around. And income has a much better forecasting record for spending than confidence.

For the moment, we view a moderate slowdown. But it will be worthwhile to watch payroll numbers carefully because if business confidence, which is currently high but declining sharply, or government layoffs start to hit employment, then the slowdown may not be moderate.

On the question of government layoffs, the implementation of Elon Musk's DOGE has been quicker and sharper than expected. Musk's approach, however, is seemingly closer to how he might approach a technology business, and it has the potential to have a different effect when running an entire government.

As we have noted, it is difficult to see that DOGE's efforts will generate the savings necessary to meaningfully close the budget gap or even pay for extending tax cuts. Sacking all civil servants would yield savings of US$300 billion a year. Remember, the promised extension of tax cuts runs to US$600 billion a year.

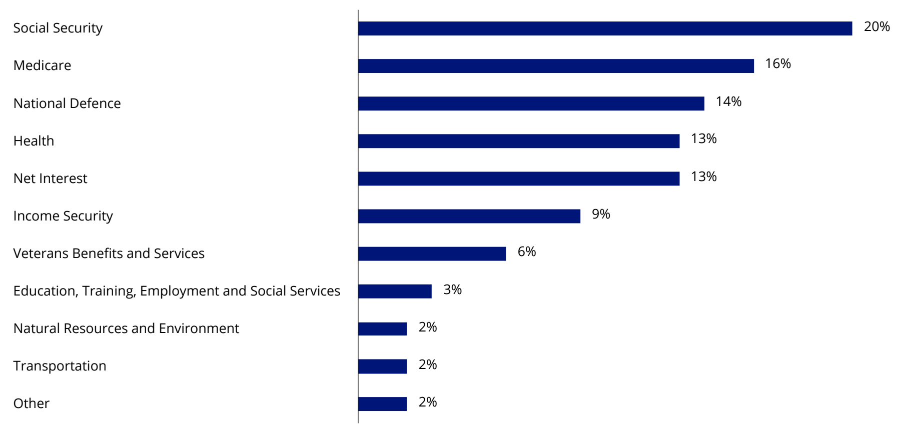
Last year, the US Government spent US$6.75 trillion, and this year's deficit is currently running ahead of last year's. Chart 7 shows the breakdown of that spending. The vast bulk of the spending is mandatory or politically untouchable:

- defence and veterans at 20 per cent;
- already-underfunded social security at 20 per cent;
- net interest at 13 per cent (and rising sharply);
- health and medicare at 29 per cent.

All in all, something like 94 per cent of spending maybe in too-hard for DOGE categories.

Chart 7: DOGE has a big job ahead

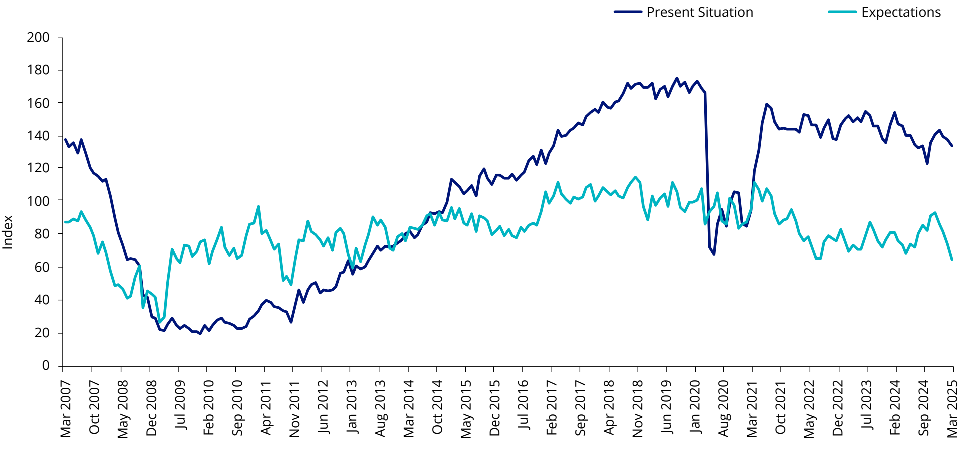
US fiscal spending by category



Source: US Treasury Fiscal Data

Chart 8: It's all pointing down

US Board Consumer Confidence - present situation and expectations



Source: Bloomberg

The US refocuses domestically

There are times when politics barely matter to finance, until it does.

The maths of the US fiscal position has barely mattered for years, a combination of its reserve currency status and TINA.

But, in the past few months, the US has shifted its position concerning its role in global politics. To be fair, this isn't purely Trump-driven, it has been a long-running historical theme in US politics for some time.

And if the US wants to detach itself politically and economically from traditional allies across the Western world, it will find it increasingly difficult to finance its fiscal position. If we were starting from a position where the world was underweight US assets, it might be different, but the world is overweight.

This looks like the start of a secular shift away from US assets. Gold has been singing the song, and signs of a European policy renaissance look like underwriting a turn in USD/EUR. China's assets are looking to join in.

After years of fiscal self-sabotage, Germany has suddenly, and meaningfully, gotten its act together. A new Coalition Government has substantially eased the fiscal ropes binding Germany, a sensible move. The apparent antipathy of the Trump regime to its traditional NATO allies was a significant push in getting this underway, as Germany now needs to boost headroom for defence spending. Other European nations look set to join.

In turn, this has boosted the performance of European equities after decade-long underperformance. It's also indicative that European defence stocks have soared, outpacing US defence stocks, on rearmament, a potential sign of distrust of the US as a military ally.

At the same time, the dynamics of US versus Europe are swinging, China is back on investors' radar. This is partly due to the Chinese Government changing its course and showing a willingness to further stimulate its economy.

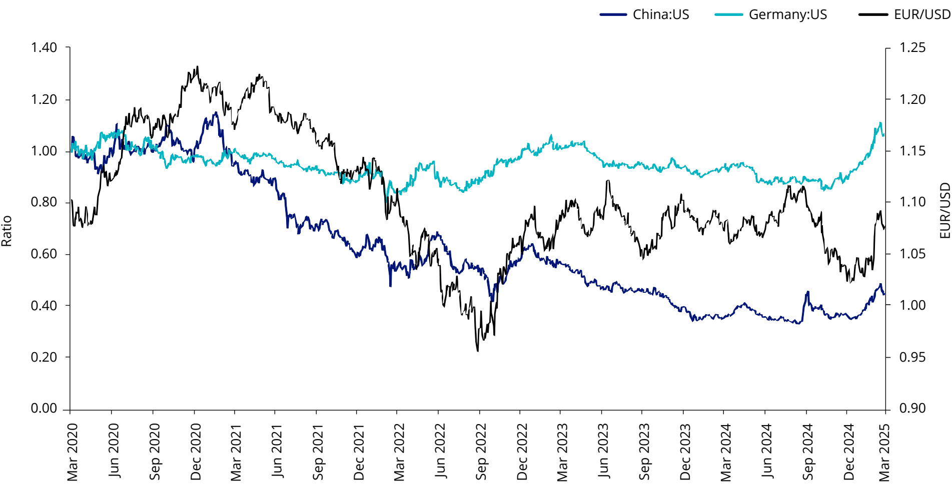
US attempts to embargo Chinese access to chips are looking increasingly problematic. China's enormous number of scientists and engineers appears to be helping China 'do more with less' both in terms of sliding up the chip manufacturing curve, but also generating AI outcomes with fewer chips.

With significant dispersion between US tech and China, and aided by an apparent thawing of Chinese Government antipathy, investment flows are returning to China.

Maybe embargoes have slowed Chinese progress, but at what cost? Attempted warship embargoes helped fuel WWI, resource embargoes helped drag Japan into WW2. The world can avoid worst-case outcomes this time.

Chart 9: The start of a rotation away from the US

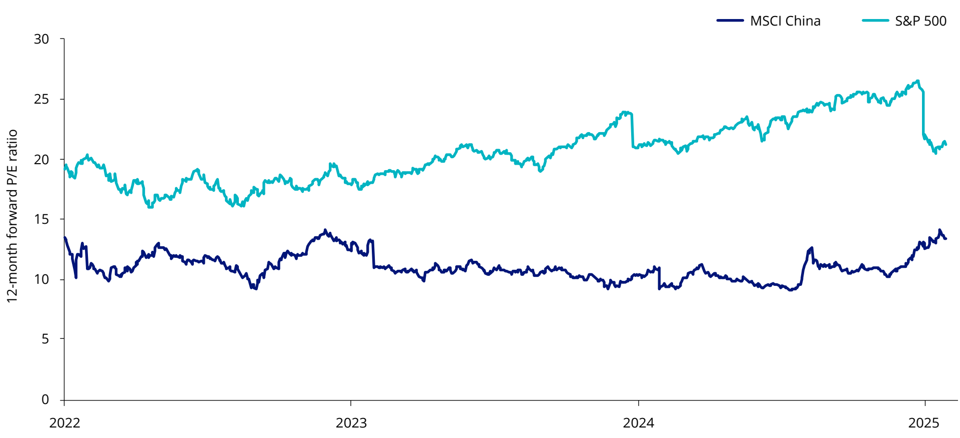
US, China and German equity markets and currencies



Source: Bloomberg. Ratios are China Index divided by US Index and Germany Index divided by US Index. When the lines are rising the US is underperforming. Rebased to March 2020. Indices used, China - MSCI China Index. US - S&P 500 Index. Germany - Deutsche Boerse AG German Stock Index.

Chart 10: The gap has narrowed, but China could be seen as cheap

Equity valuations - US and China



Source: Bloomberg. Data from March 2022 to March 2025.

China’s course correction

China is reconsidering some of its policy objectives, and these changes, together with China’s evolving trade relations with the US and EM, put it in a better position to deal with Trump 2.0 challenges.

The change started in real estate. The Politburo adopted a more supportive stance, and officials implemented a wide range of measures to stabilise the shrinking sector (arguably more in line with China’s demographic trends), which is now dominated by state-owned enterprises. The cynic in us would say that this is what authorities were aiming for when they imposed the “three red lines” restrictions back in 2020.

Another development that boosted China’s macroeconomic stability in the face of the trade war is the elimination of negative tail risks associated with local government’s “hidden debt”.

The market welcomed these changes, Chinese High Yield corporates staged a nice multi-month rally, but on its own this was not enough to lift consumer confidence, which remained stuck at a low level.

Enter China’s consumption-boosting “Special Action Plan”. At this stage, the action plan looks like a massive “to do” list but it is comprehensive, hits all the right notes, targets cyclical and longer-term structural issues behind China’s sky-high savings rate. Importantly its shows that the effort is backed up by the communist party.

Implementation is key, but China’s strategy to boost domestic consumption should, in theory and on a longer-term horizon, be associated with a stronger rather than weaker currency.

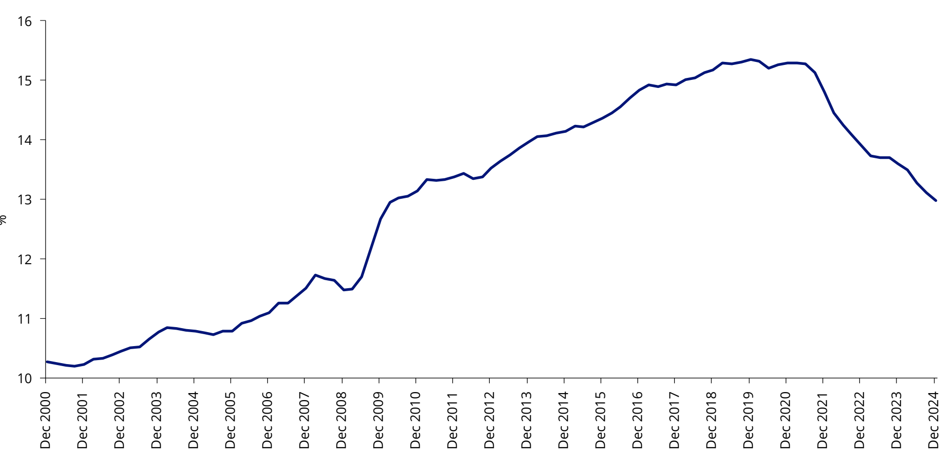
China’s economic stabilisation explains why it can afford a wait-and-see approach, responding to President Trump’s “opening shots”. These being the US imposed a 10% tariff on Chinese goods in February, followed by an additional 10% tariff in March.

China’s currency has also been stable after the US elections, anchoring many EM currencies along the way. China’s patience will be tested in April, when the US is expected to announce the results of trade reviews. China can retaliate by potentially weakening the renminbi in the case of harsher tariffs to offset a loss of competitiveness.

A major silver lining is that China can and most likely will step up policy support, including fiscal, if the US continues to move aggressively on the tariff front, while the US fiscal aspirations are moving in the opposite direction, weakening its growth outlook.

Chart 11: Trying to turn this sector around

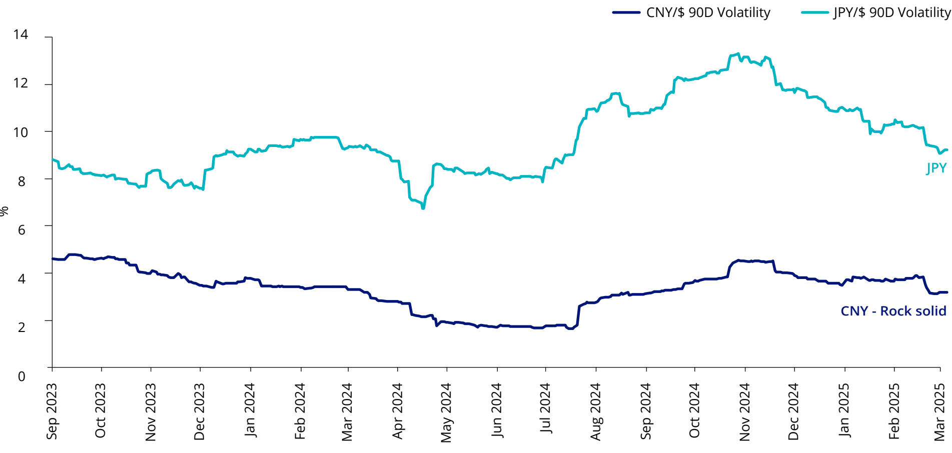
Share of real estate and construction in nominal GDP, %



Source: Bloomberg

Chart 12: Currency stability

Exchange rate volatility trends - CNY vs JPY



Source: Bloomberg LP

Emerging markets roar

Recently, EM equities roared back into focus, buoyed by US tariffs and a falling US dollar.

Many EMs are potential beneficiaries of shifting global supply chains as the US imposes tariffs. In addition, the impact of these excises has been a weakening US dollar. The weaker dollar makes it more economical for those in EMs to service their US dollar debts, favouring emerging market companies and limiting the impact of those EMs subject to tariffs.

Additionally, as most commodities are priced in US dollars, commodity demand increases as the US dollar falls. Many EM economies export commodities and therefore benefit if the US dollar falls. As noted above, the FOMC confirmed it's unlikely the next US Federal Reserve rate move will be up, so downward pressure on the US dollar will remain.

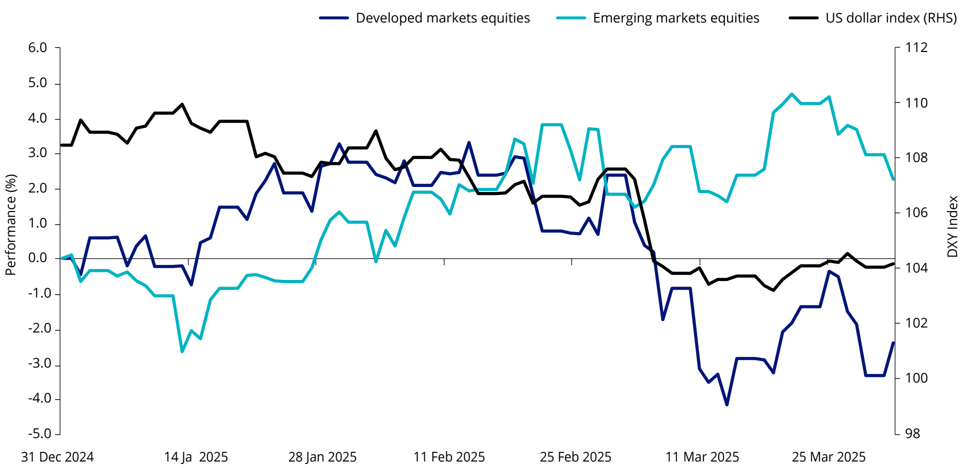
It has not only been EM equities, EM debt had a great start to 2025, and there are at least three solid reasons behind this. First, like EM equities, a lot of Trump/tariff concerns were priced in 2024. Second, recession risks are rising in the US, pressuring especially front-end US rates lower in the latter part of the first quarter of 2025. This boosted EM currencies especially but also supported most bond prices globally.

Third, EMs generally have low debt and central banks with much higher real interest rates than DMs. Once again, EM shined and shines.

On the other side of the coin, the market may be under-pricing the full impact of tariffs, which could mean risks lie ahead in EM, and the recent rally might fade. Some analysts believe that tariff announcements have a tactical negotiation objective. It is also possible that tariffs will take on an anti-China angle, which could increase costs and risks through global supply chains. However, gauging the market reactions to tariff headlines so far, most of this seems to be priced in too.

Chart 13: Tariffs and the falling US dollar: good for EM

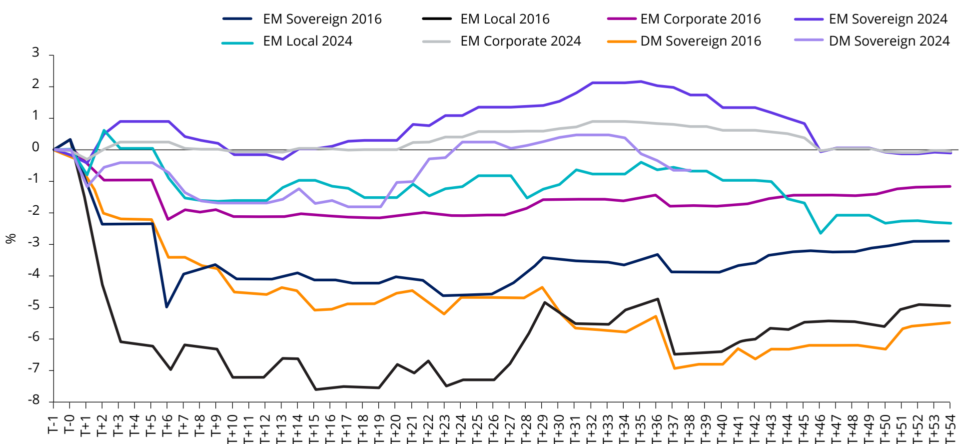
EM equity performance versus the US dollar



Source: Morningstar Direct, 31 December 2024 to 31 March 2025. Developed markets equities is MSCI World ex Australia Index, Emerging markets equities is MSCI EM Index, US dollar index is DXY Index. Past performance is not necessarily indicative of future performance. You cannot invest directly in an index.

Chart 14: Holding up better

EM debt – post-election reaction to Trump 1.0 and Trump 2.0



Source: Bloomberg. You cannot invest in an index. Past performance is not a reliable indicator of future performance. EM Sovereign is J.P. Morgan EMBI Global Core Index, EM Local is J.P. Morgan GBI-EM Global Core Index, EM Corporate is J.P. Morgan CEMBI Broad Diversified Core Index. DM Sovereign is Bloomberg Global Aggregate Bond Index.

Gold's Midas touch

Gold continued its upward trajectory during the first quarter of 2025, surpassing US$3,000 per ounce for the first time, driven by safe-haven demand amid concerns over US trade policy. The Trump administration's policy induced uncertainty, combined with rising inflation expectations and diminished consumer confidence, and this weighed on major stock indexes, further boosting gold's appeal as an alternative investment and portfolio diversifier.

The current gold bull market, which began in 2016, is remarkable because it is not accompanied by US dollar weakness or a global financial crisis. While the pandemic was a crisis, its financial impact was short-lived, thanks to massive government intervention.

A new driver of the gold price has emerged: people and nations that have long used, coveted and hoarded the US dollar are now losing faith and trust in the currency as a store of wealth. This shift began in 2008 when the global financial crisis led many to question the efficacy of the banking system and western economic hegemony.

It escalated with sanctions and freezing of assets imposed on Russia by the US. Other countries fear that similar retribution or "weaponisation of the dollar" is possible for lesser infractions than the hostile invasion of another country. Now tariffs have been weaponised.

Gold has gained 275% since Lehman Brothers failed in 2008 and 50% since Russia invaded Ukraine in 2022. Additionally, irresponsible fiscal policies and political chaos in the US suggest that one or more of the traditional drivers of gold may reemerge. As a result, the world is slowly and methodically moving away from the dollar, a shift most evident in changes to currency reserves and increased central bank gold purchases.

China has been exiting US treasuries while increasing its gold reserves. Central bank net purchases of gold began in earnest after the financial crisis and accelerated after the Ukraine invasion.

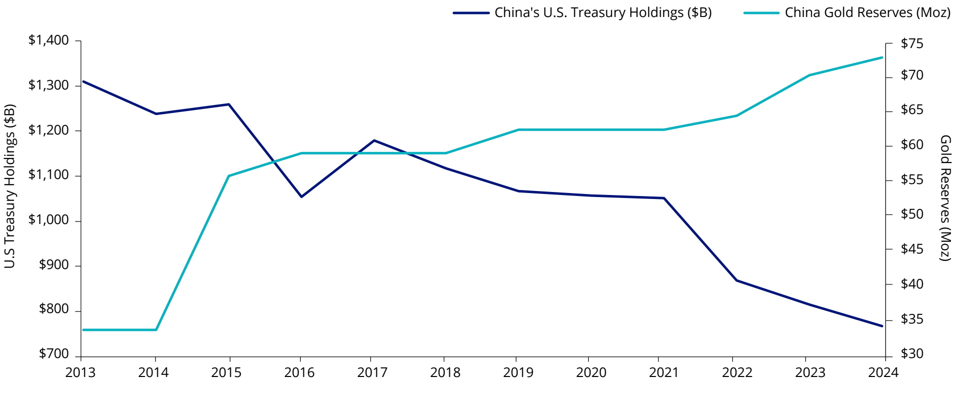
We believe this marks the start of longer-term trends that will become recognised as a crisis of confidence in the US dollar, potentially driving gold prices much higher than many expect. If a digital asset like bitcoin, created and residing within servers, can be valued at US$100,000, then surely an ounce of a tangible, reliable safe-haven asset like gold could reach a small fraction of that value.

In terms of gold miners, the industry remains largely isolated from the negative impact of global tariffs. In fact, many gold producers could benefit from foreign currency depreciations triggered by these tariffs, as a significant portion of their cost base is denominated in local currencies. For example, Alamos Gold, estimates that about 90–95% of its Canadian operational costs are Canadian dollar denominated, while about 40–45% of its Mexican mine expenses are denominated in pesos.

While industry cost inflation is widely reported around the 3–5% range for 2025, the potential benefit of weaker local currencies and a rising gold price should more than offset inflationary pressures for the sector. This dynamic is expected to continue to drive margin expansion to new record levels.

Chart 15: Seeking new safe haven asset

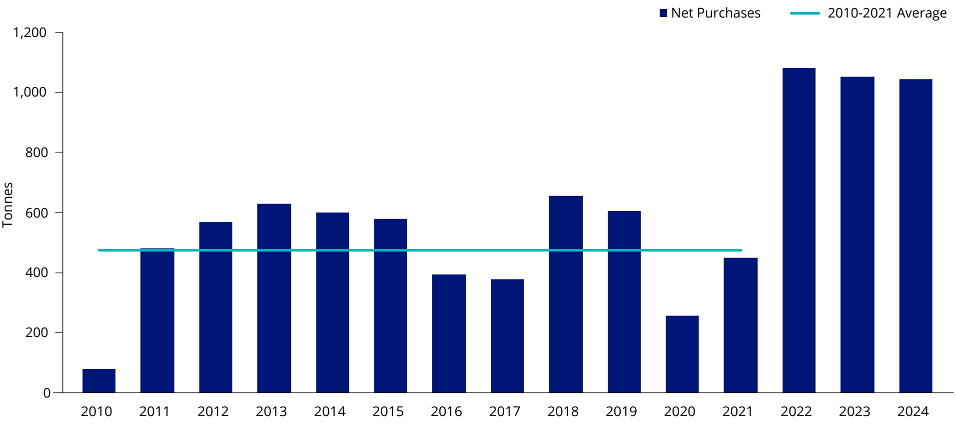
China's US Treasury Holdings versus gold reserves (2013 to 2024)



Source: Bloomberg. Data as of December 2024.

Chart 16: Central banks have been net buyers for 15 years

Gold demand trends Q4 and full year 2024



Source: World Gold Council.

Better late than never

The RBA finally conceded, delivering a grudging rate cut, as inflation and wages continued to undershoot its forecasts.

Over the past quarter, wages and price data have continued to drop, in turn flummoxing the RBA's models. Many still wonder about the usefulness of relying on models of unobservable variables (NAIRU) when both inflation and the things that affect it, being wages and inflation expectations, are heading rapidly in the right direction.

Indeed, Deputy Governor Hauser belatedly confessed the cut was necessary to stop inflation from dropping below the midpoint of the inflation target.

Inflation pessimists continue to point to low productivity as meaning that modest wage gains risk stoking the inflation genie. Of course, pessimists never mention that the major influence on Australian productivity has been the lack of business investment, leading to falling labour to capital ratios.

And what stimulates business investment? Modelling generally points to multiplier effects, followed by interest rates. So, keeping the economy comatose through too-high rates leads, both directly and indirectly, to low investment and hence low productivity.

Luckily, employment has held, sparing the RBA. If employment falters, the economy will be in deep trouble, and they will have to move fast.

The rate cut appears to have boosted consumer confidence and also contributed to lower inflation expectations, presumably by confirming in the public mind that inflation is under control.

But, just as the RBA stubbornly refused to hike until too late under Prime Minister Scott Morrison, the same dynamic could potentially be playing out in reverse this election.

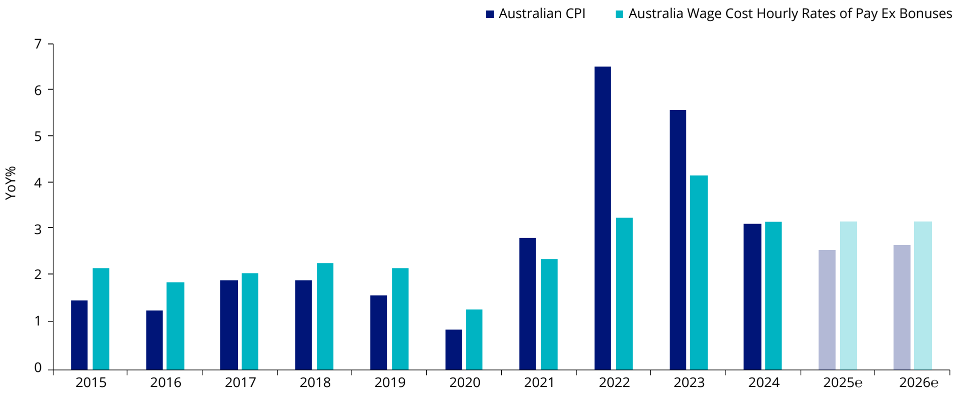
Some defenders have pointed to uncertainty around Trump's policies as a reason for the RBA to sit on their hands. This makes little sense given that the main effect of Trump's policies on Australia would be slower growth. The recent Federal pre-election budget barely acknowledged the impact of the rest of the world.

According to the budget overview, "the economy recorded a solid rebound in growth at the end of last year. This momentum is expected to continue, supported by stronger private demand, with growth forecast to pick up from 1½ per cent in 2024 to 2025 to 2¼ per cent in 2025 to 2026 and 2½ per cent in 2025 to 2026." Like the US Fed's projections noted earlier, these Treasury projections are more optimistic than the OECD's.

Here's hoping, otherwise, the RBA might be forced to act.

Chart 17: Catching up to or stoking?

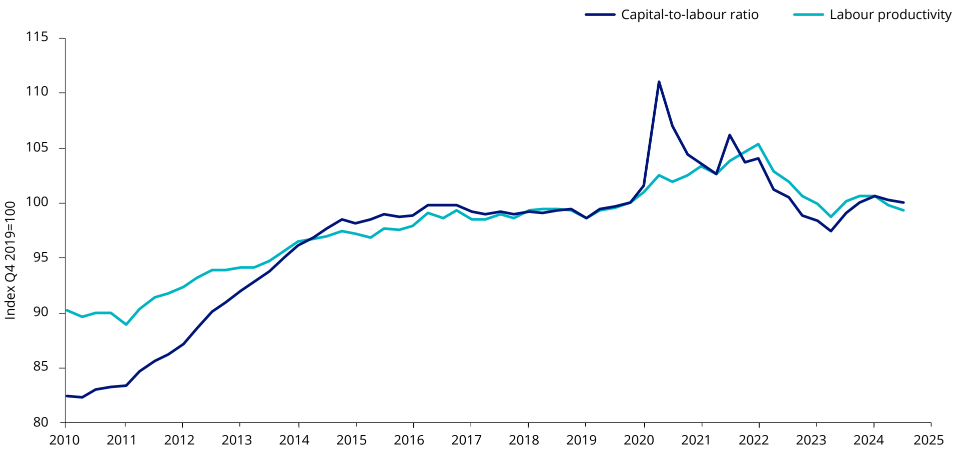
Australian CPI and wage growth



Source: Bloomberg, ABS

Chart 18: Capex not helping productivity

Labour productivity and capital/labour ratio



Source: Minack Advisors, ABS

VanEck's range of Exchange Traded Funds on ASX

Equity opportunities

VanEck Fund	ASX code	Index/Performance Benchmark	Management fees (p.a.)*
Australian Broad Based			
Australian Equal Weight ETF	MVW	MVIS Australia Equal Weight Index	0.35%
Australian Long Short Complex ETF	ALFA	Aims to outperform the S&P/ASX 200 Accumulation Index	0.39%
Geared Australian Equal Weight Complex ETF	GMVW	Geared exposure to MVW	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 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 (AUD 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 (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 Defence ETF	DFND	MarketVector Global Defence Industry (AUD) Index	0.65%
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/Performance Benchmark	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			
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	EBND	Aims to outperform the 50% JPM EMBI Global Diversified Hedged AUD and 50% JPM GBI-EM Global Diversified	0.95%
Capital Securities			
Global Capital Securities Active ETF	GCAP	Aims to outperform the 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 Complex ETF	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%
Bitcoin ETF	VBTC	Tracks the price of bitcoin	0.45%

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

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