

The forefront of emerging prosperity

Emerging markets equities have greater potential for growth than developed markets, with consumption in EM projected to account for half the global total by 2025.

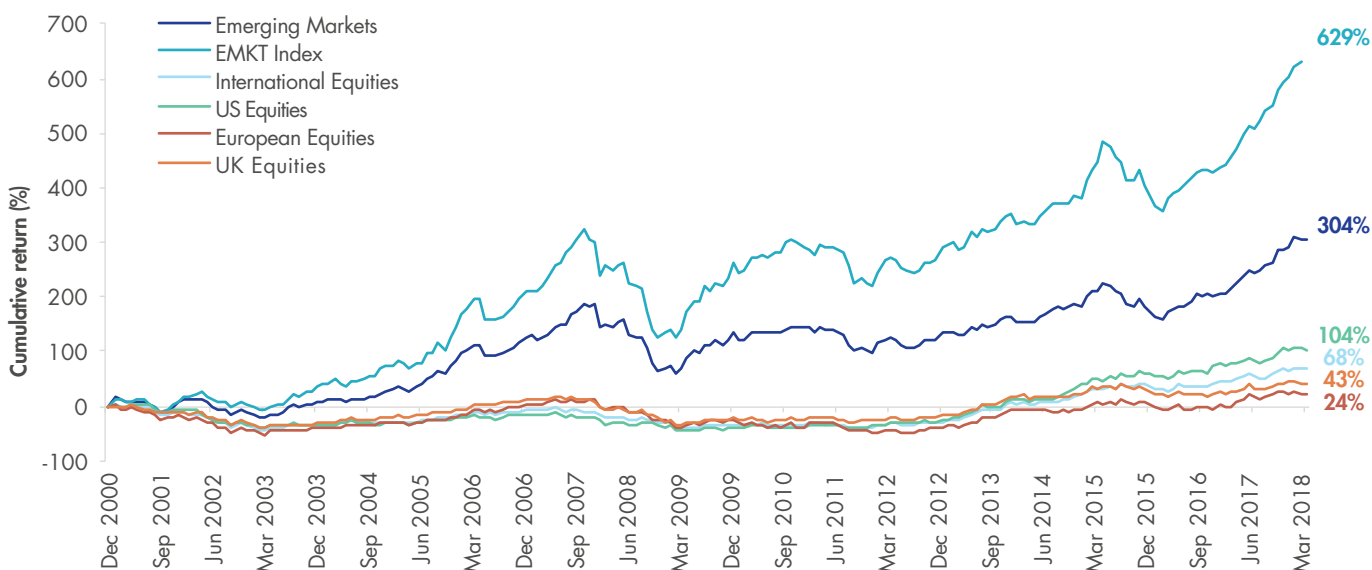
Many emerging markets economies are transitioning from being commodity and manufacturing reliant to increasingly consumption led economies.

Growth is being driven by rising middle and upper classes urbanising and living longer with greater discretionary spending. According to McKinsey, by 2025 Consumption in emerging markets will account for \$30 trillion - nearly half the global total.

Investing in emerging market equities is a way for investors to access this potential growth opportunity and at the same time increase their diversification into countries that are not represented in most portfolios.

The VanEck Vectors Multifactor Emerging Markets Equity ETF (ASX code: EMKT) seeks factor-driven performance over the long term by investing in a diversified portfolio of emerging markets companies which maximise exposure to the following four factors: Value (inexpensive), Momentum (trending higher), Lower size (smaller companies) and Quality (financially strong).

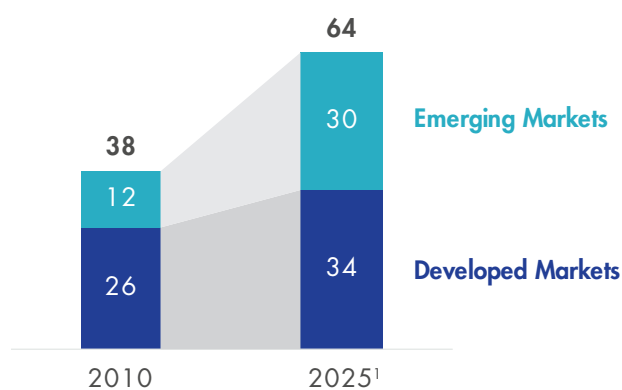
As illustrated by the index returns below, since 2000 emerging market equities have outperformed developed markets. Over that same time, the index EMKT tracks, the MSCI Emerging Markets Diversified Multiple-Factor Index, has outperformed the MSCI Emerging Markets Index index by more than double.



Source: Morningstar Direct, as at 28 February 2018

Inception date of MSCI Emerging Markets Diversified Multiple-Factor Index (EMKT Index), 29 December 2000. The EMKT Index was launched on Feb 17, 2015. Data prior to the launch date is back-tested. You cannot invest directly in an index. Returns in Australian dollars. Past performance of the index is not a reliable indicator of future performance of EMKT. Emerging Markets is MSCI Emerging Market Index, International equities is MSCI World ex-Australia Index, US equities is S&P 500 Index, European equities is MSCI Europe Index, UK equities is FTSE 100 Index.

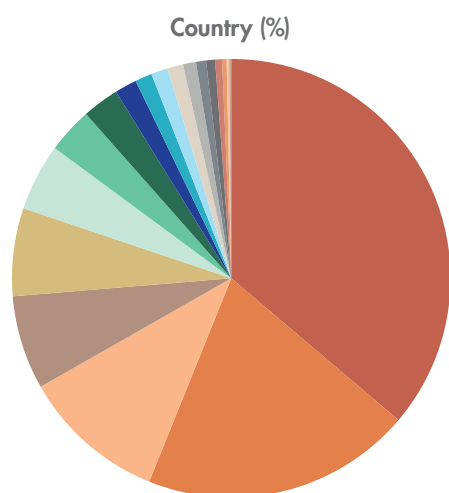
World Consumption, \$ trillion



Source: Source: McKinsey Global Institute - 'Winning the \$30 trillion decathlon: going for gold in emerging markets', 2013.

¹Estimate based on 2010 private-consumption share of GDP per country and GDP estimates for 2010 and 2025; assumes private consumption's share of GDP will remain constant.

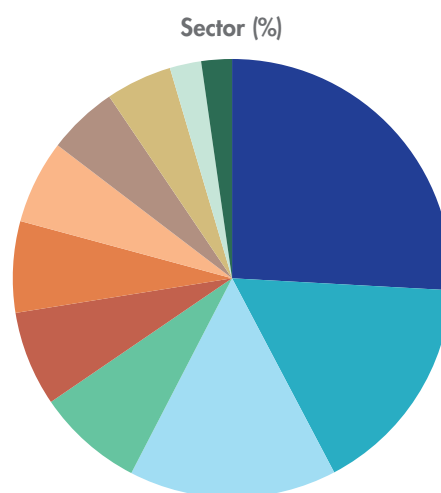
Country Allocations as at 28 February 2018



Country	EMKT Index
China	36.19%
Korea	19.91%
Taiwan	10.66%
Brazil	6.92%
Russia	6.48%
Africa	4.95%
India	3.36%
Indonesia	2.71%
Arab	1.63%
Malaysia	1.25%
Turkey	1.23%
Peru	1.16%
Thailand	0.96%
Hungary	0.74%
Poland	0.66%
Czech Republic	0.51%
Egypt	0.33%
Philippines	0.19%
Mexico	0.15%

Source: MSCI; as at 28 February 2018

Sector Allocation as at 28 February 2018



Sector	EMKT Index
Information Technology	25.87%
Financials	16.42%
Consumer Discretionary	15.31%
Industrials	7.87%
Health Care	7.01%
Energy	6.73%
Materials	6.17%
Real Estate	5.17%
Consumer Staples	4.89%
Telecommunication Services	2.32%
Utilities	2.26%

Source: MSCI; as at 28 February 2018

Top 10 Holdings as at 28 February 2018

	Country	Sector	Weight (%)
Tencent	China	Information Technology	3.8
Itausa	Brazil	Financials	2.7
Tatneft	Russia	Energy	2.5
Hana Financial	Korea	Financials	2.3
Yum China	China	Consumer Discretionary	2.3
New Oriental Education	China	Consumer Discretionary	2.2
Samsung Electronics	Korea	Information Technology	2.2
Geely Automobile	China	Consumer Discretionary	2.1
Aac Technologies	China	Information Technology	2.0
Alibaba Group	China	Information Technology	2.0

Source: MSCI

INVESTMENT OBJECTIVE: The VanEck Vectors MSCI Multifactor Emerging Markets Equity ETF (EMKT) in a diversified portfolio of emerging markets listed securities with the aim of providing investment returns, before fees and other costs, which track the performance of the Index.

INDEX DESCRIPTION: The MSCI Emerging Markets Diversified Multiple-Factor Index is based on MSCI Emerging Markets Index, its parent index, which includes large and mid-cap stocks across emerging markets countries. The Index aims to maximise exposure to four factors – Value, Momentum, Low Size and Quality – while maintaining a risk profile similar to that of the parent index.

ASX code	EMKT
Commencement date	12 April, 2018
Management cost	0.69% per annum
Index	MSCI Emerging Markets Diversified Multiple-Factor Index (AUD)
Frequency of dividends	Annually
Number of holdings	159

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Important notice:

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