

Invest internationally. Invest in quality

There are a number of reasons to include international equities in your portfolio:

- geographic diversification – the Australian stock market only represents around 3% of global stock markets;
- better sector diversification – Australia is dominated by resources and financials with limited opportunities in technology and health care; and
- exposure to different economic cycles.

VanEck Vectors MSCI World ex Australia Quality ETF (ASX code: QUAL) is a diversified portfolio of high quality, international companies selected on the basis of three key quality fundamentals:

1. high return on equity;
2. stable year-on-year earnings growth; and
3. low financial leverage.

QUAL is an ETF (exchange traded fund) that trades on ASX and gives investors exposure to a portfolio of 300 high quality international equities in a single trade. QUAL tracks the MSCI World ex Australia Quality Index by investing directly in the companies in the QUAL Index.

Growth of \$10,000: MSCI World ex Australia Quality Index vs MSCI World ex Australia Index



Source: Morningstar Direct, as at 30 November 2018

The above graph is a hypothetical comparison of performance of a \$10,000 investment in the QUAL Index and the parent index. Results are calculated to the last business day of the month and assume immediate reinvestment of all dividends and exclude costs associated with investing in QUAL. You can not invest directly in an index. Past performance of the QUAL Index is not a reliable indicator of future performance of QUAL.

Index risk and return characteristics (30 November 1994 to 30 November 2018)

	Annualised Std Dev (%) ¹			Sharpe Ratio ^{1, 2}		
	3 Yr	5 Yr	10 Yr	3 Yr	5 Yr	10 Yr
MSCI World ex Australia Quality Index (\$A)	10.45	10.78	10.58	0.93	1.30	0.93
MSCI World ex Australia Index (\$A)	9.56	9.97	10.75	0.88	1.17	0.73

¹Based on monthly net returns data ²Based on BBA LIBOR 1M

Source: MSCI.

Performance and risk results in the table above are calculated to the last business day of the month and assume immediate reinvestment of all dividends and exclude costs of investing in QUAL. You can not invest directly in an index. Past performance of the QUAL Index is not a reliable indicator of future performance of QUAL.

Top 10 Country Allocations as at 30 November 2018

Country	QUAL Index	MSCI World ex Australia Index
Austria	0.00%	0.08%
Belgium	0.03%	0.34%
Canada	1.50%	3.38%
Denmark	1.51%	0.56%
Finland	0.54%	0.35%
France	1.99%	3.86%
Germany	1.63%	3.14%
Hong Kong	1.25%	1.17%
Ireland	0.15%	0.17%
Israel	0.17%	0.20%
Italy	0.32%	0.82%
Japan	3.35%	8.57%
Netherlands	1.63%	1.18%
New Zealand	0.12%	0.07%
Norway	0.00%	0.25%
Portugal	0.03%	0.06%
Singapore	0.27%	0.45%
Spain	0.74%	1.09%
Sweden	0.60%	0.93%
Switzerland	5.37%	2.94%
United Kingdom	6.52%	6.00%
United States	72.29%	64.39%
Total	100%	100%

Index Characteristics as at 30 November 2018

Sectors	QUAL Index	MSCI World ex Australia Index
Consumer Discretionary	14.06%	12.61%
Consumer Staples	11.98%	8.63%
Energy	0.00%	6.06%
Financials	3.01%	16.00%
Health Care	16.53%	13.66%
Industrials	11.65%	11.15%
Information Technology	38.59%	18.68%
Materials	2.83%	4.16%
Real Estate	0.42%	3.00%
Telecommunication Services	0.94%	2.83%
Utilities	0.00%	3.22%
Grand Total	100%	100%

Top 25 Holdings as at 30 November 2018

	Country	Sector	Weight (%)	Active Weight (%)
Microsoft	USA	Information Technology	5.8	3.7
Apple	USA	Information Technology	4.9	2.5
Johnson & Johnson	USA	Health Care	3.6	2.5
Facebook	USA	Information Technology	3.2	2.3
Alphabet C	USA	Information Technology	2.6	1.7
Alphabet A	USA	Information Technology	2.5	1.7
Visa	USA	Information Technology	2.4	1.8
Roche Holding Genuss	SWITZERLAND	Health Care	2.2	1.7
Mastercard	USA	Information Technology	2.2	1.7
Intel	USA	Information Technology	2.1	1.5
Nestle	SWITZERLAND	Consumer Staples	2.0	1.3
Procter & Gamble	USA	Consumer Staples	2.0	1.3
Disney	USA	Consumer Discretionary	1.6	1.1
3M	USA	Industrials	1.4	1.0
Accenture	USA	Information Technology	1.3	1.0
Amgen	USA	Health Care	1.2	0.9
Lilly (Eli) & Company	USA	Health Care	1.2	0.9
Altria Group	USA	Consumer Staples	1.2	0.9
Nike	USA	Consumer Discretionary	1.2	0.9
Nvidia	USA	Information Technology	1.1	0.9
Texas Instruments	USA	Information Technology	1.1	0.9
Starbucks Corp	USA	Consumer Discretionary	1.1	0.9
Novo Nordisk	DENMARK	Health Care	1.1	0.9
Honeywell International	USA	Industrials	1.1	0.8
Adobe	USA	Information Technology	1.1	0.7

* Active weight is relative to MSCI World ex Australia Index
Source: MSCI

Contact us

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