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VanEck lists international hedged property ETF

Sydney, 2 April 2019 – The VanEck Vectors FTSE International Property (Hedged) ETF has listed on ASX today with the trading code 'REIT', as Australians increasingly seek diversified international investments and income producing assets in an era of low interest rates.

REIT is the only ETF listed on ASX that tracks the highly regarded international property benchmark, the FTSE EPRA Nareit Developed ex Australia Rental Index AUD Hedged (REIT Index). Given recent changes in tax law, VanEck will be employing its tax expertise to ensure the payment of income from this ETF is smooth.

Arian Neiron, VanEck Managing Director and Head of Asia Pacific, said: "REIT offers investors a well-diversified international listed property exposure at a low-cost while protecting against currency volatility. REIT can be expected to provide a stable income source, which may draw investors who are struggling with very low deposit interest rates, which could fall even lower this year if the Reserve Bank cuts official interest rates, as widely speculated, given concerns of slowing economic growth," said Neiron.

REITs have been performing strongly with falling government bond yields pushing up the prices of listed property trusts as they are seen by investors as a proxy for bonds, or as an alternative income source. The trailing dividend yield of stocks in the REIT Index is 4.01%¹.

"We could see listed property outperform again this year if government bond yields continue to fall, potentially lifting valuations," Neiron said.

The international REIT Index is well diversified, having just a 20.5% exposure to retail REITs, compared to 36.5% for the Australian S&P/ASX 200 A-REIT Index. Among the other sectors, the REIT Index has 8.8% exposure to healthcare property trusts, 4.5% to lodging/resorts, 4.6% to self-storage, and 18.3% in residential property trusts.¹ These are sectors not readily available in Australia.

¹ Source: FTSE, as at 28 February 2019



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REIT is hedged to Australian dollars so the returns from the fund, including income payments, are relatively unaffected by currency fluctuations.

REIT's top holdings include Simon Property Group, the largest shopping mall operator in the US, Mitsubishi Estate, which is one of the largest real-estate developers in Japan and US-based Digital Realty Trust, a real estate investment trust that invests in data centres.

Fund	ASX code	Features	Management Costs
VanEck Vectors FTSE International Property (Hedged) ETF	REIT	<ul style="list-style-type: none">Tracks the highly regarded international property benchmark, the FTSE EPRA Nareit Developed ex Australia Rental Index AUD Hedged (REIT Index)The REIT Index is well diversifiedHedged to Australian dollarsAll the benefits of ETFs including:<ul style="list-style-type: none">Simple trading on the ASXLiquidityTransparent daily holdingsCost effective	0.43% p.a.

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With offices in key financial centres and regions including New York, Sydney, Shanghai, Frankfurt, Amsterdam, Madrid and Zurich, VanEck offers investors broad investment reach with deep experience.

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