



VanEck and Bentham collaborate to launch an Australian-first

Sydney, 12 July 2021 – The VanEck Bentham Global Capital Securities Active ETF (Managed Fund) (ASX: GCAP) will provide Australian investors with access to an actively managed portfolio of global capital securities. GCAP offers exposure to securities, issuers and return streams commonly only accessible to global institutional investors, and is expected to provide attractive risk adjusted returns with a focus on stable income. GCAP will complement ASX-listed hybrids and Australian credit by diversifying exposure. It will be the only global capital securities exchange traded fund on the ASX and aims to be fully hedged into Australian dollars.

VanEck is partnering with Bentham Asset Management to launch GCAP, which will create a portfolio of capital securities including Tier 1 (AT1) securities, contingent convertibles and subordinated debt securities. Capital securities are similar in nature to Australian hybrid securities, that is, securities that have both equity-like and debt-like characteristics.

Professionally managed by Bentham Asset Management, an award-winning global credit specialist, the Fund leverages off Bentham's 18-year track record investing in these types of securities and will aim to deliver investors an after-fee return in excess of the RBA cash rate + 3% p.a. over the long term. Dividends will be paid monthly.

Arian Neiron, VanEck's CEO and Managing Director Asia Pacific, said: "GCAP gives investors access to a wider opportunity set with the ability to generate attractive income via an actively managed and globally diversified capital securities strategy. Global capital securities offer an opportunity for investors to diversify their income away from concentrated Australian exposures, harnessing a sizeable global universe with deeper liquidity.

"GCAP's yield is attractive compared to corporate investment grade and ASX-listed hybrids. This actively managed ETF will offer investors exposure to offshore bank and insurance capital markets that are over 30 times larger than the domestic ASX bank hybrid market," Neiron said. **Richard Quin, Bentham CIO and Managing Director**, said Global Capital securities complement the local hybrid market and offer investors an alternative source of income in an era where attractive income sources are scarce.

"With rates near all-time lows, capital securities can provide investors with regular income, whilst diversifying investors' portfolios that are often heavily skewed towards Australian financials. We have been investing in global credit markets and capital securities for many years and we look forward to offering this standalone investment to Australian investors. Global capital securities offer a deeper market compared to locally issued hybrids," Quin said.

VanEck has previously been approached by many fund managers looking to partner for active ETFs. However, a highly selective approach has been taken to ensure the optimal partner and alignment in terms of investment philosophy, process and portfolio outcome, and team culture.

General information only

VanEck Investments Limited ABN 22 146 596 116 AFSL 416755 ('VanEck') is the responsible entity and issuer of the VanEck Bentham Global Capital Securities Active ETF (Managed Fund) (GCAP). Units in GCAP are not currently available. GCAP has been registered by ASIC and VanEck has lodged an application with ASX for units in the fund to be admitted to trading status on ASX. The PDS will be lodged with ASIC, and it will be made available at the end of the exposure period at www.vaneck.com.au. This is general advice only, not personal financial advice. It is intended for use by financial services professionals only, and does not take into account any person's individual objectives, financial situation or needs. An investment in GCAP carries risks associated with: emerging markets bonds and currencies, bond markets generally, interest rate movements, issuer default, currency hedging, credit ratings, country and issuer concentration, liquidity and fund manager and fund operations. The PDS details the key risks. This information is believed to be accurate at the time of compilation but is subject to change. VanEck does not represent or warrant the quality, accuracy, reliability, timeliness or completeness of the information. To the extent permitted by law, VanEck does not accept any liability (whether arising in contract, tort, negligence or otherwise) for any error or omission in the information or for any loss or damage (whether direct, indirect, consequential or otherwise) suffered by any recipient of the information, acting in reliance on it.