

14 March 2024

ASX Limited  
Market Announcements Office

## HALF-YEAR FINANCIAL REPORT

[FOR RELEASE UNDER EACH ASX CODE LISTED BELOW]

VanEck Investments Limited announces the attached interim report for the half-year ended 31 December 2023 which covers the following exchange traded funds listed in the table below in the order of the cover page of the report:

Code	Fund
FLOT	VanEck Australian Floating Rate ETF
PLUS	VanEck Australian Corporate Bond Plus ETF
SUBD	VanEck Australian Subordinated Debt ETF

### For more information:

- Call 1300 68 38 37
- Go to [vaneck.com.au](http://vaneck.com.au)

It is important for investors to register with the Link Investor Centre as correspondence from VanEck regarding your investments in our funds including statements (such as tax, dividends, periodic and exit) are given here. In addition to reducing the carbon footprint associated with paper-based correspondence, we hope this is more convenient for our investors. Investors can register with the Link Investor Centre via: <https://investorcentre.linkmarketservices.com.au/>.

**IMPORTANT NOTICE:** Issued by VanEck Investments Limited ABN 22 146 596 116 AFSL 416755 ('VanEck'). VanEck is the responsible entity and product issuer of a range of VanEck exchange traded funds ('Funds'). This information contains general information only about financial products and is not personal advice. It does not take into account any person's individual objectives, financial situation or needs. Before making an investment decision in relation to a VanEck Fund, you should read the relevant Product Disclosure Statement and the relevant Target Market Determination which are available at [www.vaneck.com.au](http://www.vaneck.com.au) or by calling 1300 68 38 37 and with the assistance of a financial adviser consider if it is appropriate for your circumstances. No member of the VanEck group of companies gives any guarantee or assurance as to the repayment of capital, the performance, or any particular rate of return of any VanEck Fund. Past performance is not a reliable indicator of future performance.

# **VanEck Australian Fixed Income Funds**

## **Interim report**

### **For the half-year ended 31 December 2023**

This interim financial report covers the following VanEck Australian Fixed Income Funds:

**VanEck Australian Floating Rate ETF**

ARSN 619 241 851

**VanEck Australian Corporate Bond Plus ETF**

ARSN 617 941 241

**VanEck Australian Subordinated Debt ETF**

ARSN 635 881 533

# VanEck Australian Fixed Income Funds

## Interim report

### For the half-year ended 31 December 2023

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This interim report does not include all the notes of the type normally included in an annual report. Accordingly, this interim report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made in respect of VanEck Australian Fixed Income Funds during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

These financial statements cover the VanEck Australian Floating Rate ETF, VanEck Australian Corporate Bond Plus ETF and VanEck Australian Subordinated Debt ETF as individual entities.

The Responsible Entity of the Funds is VanEck Investments Limited (ACN 146 596 116) (AFSL 416755). The Responsible Entity's registered office is:

VanEck Investments Limited  
Level 47, Suite 2  
25 Martin Place,  
Sydney, NSW, Australia, 2000

## **Directors' report**

The Directors of VanEck Investments Limited (ACN 146 596 116), the Responsible Entity of VanEck Australian Floating Rate ETF, VanEck Australian Corporate Bond Plus ETF and VanEck Australian Subordinated Debt ETF (collectively the "Funds" and individually the "Fund"), present their report together with the financial statements of the Funds for the half-year ended 31 December 2023.

### **Funds information**

The Funds are Australian registered managed investment schemes.

The Responsible Entity's registered office is located at Level 47, Suite 2, 25 Martin Place, Sydney, NSW, Australia, 2000.

### **Principal activities**

The Funds are traded on the Australian Securities Exchange ("ASX") as exchange traded funds.

VanEck Australian Floating Rate ETF generally invests in floating rate bonds issued by corporate entities such as the largest banks in Australia, foreign banks, other lending institutions and Australian listed property trusts in accordance with the provisions of the Fund's Constitution and Product Disclosure Statement ("PDS").

VanEck Australian Corporate Bond Plus ETF generally invests in a diversified portfolio of Australian dollar denominated bonds consisting predominantly of the highest yielding investment grade corporate bonds issued in Australia in accordance with the provisions of the Fund's Constitution and PDS.

VanEck Australian Subordinated Debt ETF generally invests in a portfolio of subordinated bonds in accordance with the provisions of the Fund's Constitution and PDS.

The Funds did not have any employees during the half-year.

There were no significant changes in the nature of the Funds' activities during the half-year.

### **Directors**

The following persons held office as Directors of the Responsible Entity during the half-year ended 31 December 2023 and up to the date of this report:

Jan van Eck  
Arian Neiron  
Michael Brown  
Jonathan Simon  
Lee Rappaport

### **Review and results of operations**

The Funds continued to invest in accordance with the Funds' PDS and the provisions of the Funds' Constitutions.

VanEck Australian Floating Rate ETF generally invests in the securities that are constituents of the Bloomberg AusBond Credit FRN 0+ Yr Index and aims to track the performance of the Index (with net income reinvested) in Australian dollars, before taking into account fees, expenses and tax.

VanEck Australian Corporate Bond Plus ETF generally invests in the securities that are constituents of the iBoxx AUD Corporates Yield Plus Mid Price Index and aims to track the performance of the Index (with net income reinvested) in Australian dollars, before taking into account fees, expenses and tax.

VanEck Australian Subordinated Debt ETF generally invests in the securities that are the constituents of the iBoxx AUD Investment Grade Subordinated Debt Mid Price Index and aims to track the performance of the Index (with net income reinvested) in Australian dollars, before taking into account fees, expenses and tax.

## Directors' report (continued)

### Review and results of operations (continued)

#### Results

The performance of the Funds, as represented by the results of their operations, were as follows:

	<b>VanEck Australian Floating Rate ETF</b>		<b>VanEck Australian Corporate Bond Plus ETF</b>	
	<b>Half-year ended</b>		<b>Half-year ended</b>	
	<b>31 December 2023</b>	31 December 2022	<b>31 December 2023</b>	31 December 2022
Profit/(loss) attributable to unitholders (\$'000)	<u>16,471</u>	6,410	<u>14,671</u>	1,136
Distribution to unitholders (\$'000)	<u>15,672</u>	5,518	<u>4,805</u>	3,802
Distribution (cents per unit - CPU)	<u>59.00</u>	31.50	<u>27.50</u>	25.50

	<b>VanEck Australian Subordinated Debt ETF</b>	
	<b>Half-year ended</b>	
	<b>31 December 2023</b>	31 December 2022
Profit/(loss) attributable to unitholders (\$'000)	<u>36,053</u>	7,607
Distribution to unitholders (\$'000)	<u>29,343</u>	6,221
Distribution (cents per unit - CPU)	<u>70.00</u>	43.50

### Significant changes in the state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Funds that occurred during the financial half-year.

### Matters subsequent to the end of the financial half-year

The Funds declared a distribution per unit on 31 December 2023 and which were paid to entitled unitholders on 24 January 2024.

Except as disclosed above, no other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect:

- (i) the operations of the Funds in future financial years;
- (ii) the results of those operations in future financial years; or
- (iii) the state of affairs of the Funds in future financial years.

## Directors' report (continued)

### Disclosing entities

The Funds are disclosing entities under the Corporations Act, and accordingly rely on the relief available in ASIC issued class order ASIC Corporations (Disclosing Entities) Instrument 2015/839 in the preparation of this report. This class order permits the Funds, all of which have the same responsible entity to include the financial statements for each Fund in adjacent columns in a single financial report.


### Rounding of amounts to the nearest thousand dollars

The Funds are entities of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission ("ASIC") relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with that ASIC Corporations Instrument, unless otherwise indicated.

### Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of the Directors.



Michael Brown  
Director

Sydney  
5 March 2024

## Auditor's independence declaration to the directors of VanEck Investments Limited, as Responsible Entity for VanEck Australian Fixed Income Funds

For the following VanEck Australian Fixed Income Funds (collectively the "Funds"):

- VanEck Australian Floating Rate ETF
- VanEck Australian Corporate Bond Plus ETF
- VanEck Australian Subordinated Debt ETF

As lead auditor for the review of the half-year financial report of the Funds for the half-year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. no contraventions of any applicable code of professional conduct in relation to the review; and
- c. no non-audit services provided that contravene any applicable code of professional conduct in relation to the review.



Ernst & Young



Rita Da Silva  
Partner  
Sydney  
5 March 2024

## Statements of comprehensive income

	VanEck Australian Floating Rate ETF		VanEck Australian Corporate Bond Plus ETF	
	Half-year ended		Half-year ended	
	31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
<b>Investment income</b>				
Interest income from financial assets at amortised cost	3	1	1	1
Interest income from financial assets at fair value through profit or loss	16,595	6,571	5,246	4,060
Net gains/(losses) on financial instruments at fair value through profit or loss	596	297	9,868	(2,554)
Other operating income	-	-	3	1
<b>Total investment income/(loss)</b>	<u>17,194</u>	<u>6,869</u>	<u>15,118</u>	<u>1,508</u>
<b>Expenses</b>				
Management fees	723	459	447	372
<b>Total operating expenses</b>	<u>723</u>	<u>459</u>	<u>447</u>	<u>372</u>
<b>Profit/(loss) for the half-year</b>	<u>16,471</u>	<u>6,410</u>	<u>14,671</u>	<u>1,136</u>
Other comprehensive income for the half-year	-	-	-	-
<b>Total comprehensive income/(loss) for the half-year</b>	<u>16,471</u>	<u>6,410</u>	<u>14,671</u>	<u>1,136</u>

*The above Statements of comprehensive income should be read in conjunction with the accompanying notes.*



**Statements of comprehensive income (continued)**

	<b>VanEck Australian Subordinated Debt ETF</b>	
	<b>Half-year ended</b>	<b>Half-year ended</b>
	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Investment income</b>		
Interest income from financial assets at amortised cost	7	1
Interest income from financial assets at fair value through profit or loss	30,523	6,965
Net gains on financial instruments at fair value through profit or loss	6,990	1,122
Other operating income	1	-
<b>Total investment income/(loss)</b>	<u>37,521</u>	<u>8,088</u>
<b>Expenses</b>		
Management fees	1,468	481
<b>Total operating expenses</b>	<u>1,468</u>	<u>481</u>
<b>Profit/(loss) for the half-year</b>	<u>36,053</u>	<u>7,607</u>
Other comprehensive income for the half-year	-	-
<b>Total comprehensive income/(loss) for the half-year</b>	<u>36,053</u>	<u>7,607</u>

*The above Statements of comprehensive income should be read in conjunction with the accompanying notes.*

## Statements of financial position

	Notes	VanEck Australian Floating Rate ETF		VanEck Australian Corporate Bond Plus ETF	
		As at		As at	
		31 December 2023	30 June 2023	31 December 2023	30 June 2023
		\$'000	\$'000	\$'000	\$'000
<b>Assets</b>					
Cash and cash equivalents		665	389	251	493
Due from brokers - receivable for securities sold		-	9,990	-	185
Receivables		4,431	3,831	2,736	2,178
Financial assets at fair value through profit or loss	3, 4	<u>684,076</u>	<u>621,874</u>	<u>294,346</u>	<u>253,376</u>
<b>Total assets</b>		<u>689,172</u>	<u>636,084</u>	<u>297,333</u>	<u>256,232</u>
<b>Liabilities</b>					
Due to brokers - payable for securities purchased		-	6,939	-	-
Payables		147	1,127	86	78
Distributions payable	6	<u>2,750</u>	<u>2,399</u>	<u>897</u>	<u>720</u>
<b>Total liabilities</b>		<u>2,897</u>	<u>10,465</u>	<u>983</u>	<u>798</u>
<b>Net assets attributable to unitholders - Equity</b>		<u>686,275</u>	<u>625,619</u>	<u>296,350</u>	<u>255,434</u>

The above Statements of financial position should be read in conjunction with the accompanying notes.

**Statements of financial position (continued)**

		<b>VanEck Australian Subordinated Debt ETF</b>	
		<b>As at</b>	
		<b>31 December 2023</b>	<b>30 June 2023</b>
	Notes	<b>\$'000</b>	<b>\$'000</b>
<b>Assets</b>			
Cash and cash equivalents		1,751	36
Due from brokers - receivable for securities sold		-	28,903
Receivables		8,357	5,267
Financial assets at fair value through profit or loss	3, 4	<u>1,201,285</u>	<u>804,400</u>
<b>Total assets</b>		<u>1,211,393</u>	<u>838,606</u>
<b>Liabilities</b>			
Due to brokers - payable for securities purchased		-	13,093
Payables		316	205
Distributions payable	6	<u>5,807</u>	<u>3,658</u>
<b>Total liabilities</b>		<u>6,123</u>	<u>16,956</u>
<b>Net assets attributable to unitholders - Equity</b>		<u>1,205,270</u>	<u>821,650</u>

*The above Statements of financial position should be read in conjunction with the accompanying notes.*

## Statements of changes in equity

	Notes	VanEck Australian Floating Rate ETF		VanEck Australian Corporate Bond Plus ETF	
		Half-year ended		Half-year ended	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
		\$'000	\$'000	\$'000	\$'000
<b>Total equity at the beginning of the half-year</b>		<b>625,619</b>	372,647	<b>255,434</b>	198,981
Issue of redeemable participating units		<b>62,624</b>	111,829	<b>30,854</b>	69,160
Units issued upon reinvestment of distributions		<b>212</b>	59	<b>196</b>	115
Redemption of redeemable participating units		<b>(2,979)</b>	-	-	(1,887)
Comprehensive income/(loss) for the half-year		<b>16,471</b>	6,410	<b>14,671</b>	1,136
Distributions	6	<b>(15,672)</b>	(5,518)	<b>(4,805)</b>	(3,802)
<b>Total equity at the end of the half-year</b>		<b>686,275</b>	485,427	<b>296,350</b>	263,703

*Movement in units issued are disclosed in Note 5 to the financial statements.*

*The above Statements of changes in equity should be read in conjunction with the accompanying notes.*

**Statements of changes in equity (continued)**

		<b>VanEck Australian Subordinated Debt ETF</b>	
		<b>Half-year ended</b>	
		<b>31 December 2023</b>	<b>31 December 2022</b>
Notes		<b>\$'000</b>	<b>\$'000</b>
	<b>Total equity at the beginning of the half-year</b>	<b>821,650</b>	300,071
	Issue of redeemable participating units	<b>382,435</b>	168,652
	Units issued upon reinvestment of distributions	<b>407</b>	74
	Redemption of redeemable participating units	<b>(5,932)</b>	(44,578)
	Comprehensive income/(loss) for the half-year	<b>36,053</b>	7,607
	Distributions	<b>(29,343)</b>	(6,221)
	<b>Total equity at the end of the half-year</b>	<b><u>1,205,270</u></b>	<u>425,605</u>

*Movement in units issued are disclosed in Note 5 to the financial statements.*

*The above Statements of changes in equity should be read in conjunction with the accompanying notes.*

## Statements of cash flows

	VanEck Australian Floating Rate ETF		VanEck Australian Corporate Bond Plus ETF	
	Half-year ended		Half-year ended	
	31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
<b>Cash flows from operating activities</b>				
Proceeds from sale of financial instruments at fair value through profit or loss	149,412	73,466	39,198	31,808
Purchase of financial instruments at fair value through profit or loss	(207,912)	(194,142)	(70,396)	(98,145)
Interest received	15,943	5,058	4,967	3,862
Other income received/(expenses paid)	-	24	3	6
Management fees paid	(708)	(439)	(435)	(355)
Payment of other expenses	-	-	(1)	-
<b>Net cash outflow from operating activities</b>	<u>(43,265)</u>	<u>(116,033)</u>	<u>(26,664)</u>	<u>(62,824)</u>
<b>Cash flows from financing activities</b>				
Proceeds from applications by unitholders	62,624	120,717	30,854	69,160
Payments for redemptions to unitholders	(3,974)	-	-	(1,887)
Distributions paid	(15,109)	(4,435)	(4,432)	(4,433)
<b>Net cash inflow from financing activities</b>	<u>43,541</u>	<u>116,282</u>	<u>26,422</u>	<u>62,840</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>276</b>	<b>249</b>	<b>(242)</b>	<b>16</b>
Cash and cash equivalents at the beginning of the half-year	<u>389</u>	<u>95</u>	<u>493</u>	<u>221</u>
<b>Cash and cash equivalents at the end of the half-year</b>	<u>665</u>	<u>344</u>	<u>251</u>	<u>237</u>

The above Statements of cash flows should be read in conjunction with the accompanying notes.

**Statements of cash flows (continued)**

	<b>VanEck Australian Subordinated Debt ETF</b>	
	<b>Half-year ended</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Proceeds from sale of financial instruments at fair value through profit or loss	142,488	66,587
Purchase of financial instruments at fair value through profit or loss	(518,255)	(191,408)
Interest received	29,140	6,155
Other income received/(expenses paid)	-	(22)
Management fees paid	(1,367)	(452)
Payment of other expenses	(7)	-
<b>Net cash outflow from operating activities</b>	<b>(348,001)</b>	<b>(119,140)</b>
<b>Cash flows from financing activities</b>		
Proceeds from applications by unitholders	382,435	168,652
Payments for redemptions to unitholders	(5,932)	(44,578)
Distributions paid	(26,787)	(5,168)
<b>Net cash inflow from financing activities</b>	<b>349,716</b>	<b>118,906</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,715</b>	<b>(234)</b>
Cash and cash equivalents at the beginning of the half-year	36	425
<b>Cash and cash equivalents at the end of the half-year</b>	<b>1,751</b>	<b>191</b>

*The above Statements of cash flows should be read in conjunction with the accompanying notes.*

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## 1 General information

These financial statements for the half-year ended 31 December 2023 cover the VanEck Australian Floating Rate ETF, VanEck Australian Corporate Bond Plus ETF and VanEck Australian Subordinated Debt ETF (the “Funds”) as individual entities.

VanEck Australian Floating Rate ETF was registered on 30 May 2017 and started trading on ASX on 7 July 2017.

VanEck Australian Corporate Bond Plus ETF was registered on 24 March 2017 and started trading on ASX on 11 May 2017.

VanEck Australian Subordinated Debt ETF was registered on 10 September 2019 and started trading on ASX on 30 October 2019.

The Funds will terminate in accordance with the provisions of the Funds’ Constitutions.

The Responsible Entity of the Funds is VanEck Investments Limited. The Responsible Entity’s registered office is Level 47, Suite 2, 25 Martin Place, Sydney, NSW, Australia, 2000.

These financial statements are presented in Australian dollars, which is the Funds’ functional and presentation currency.

The financial statements were authorised for issue by the Directors on 5 March 2024. The Directors of the Responsible Entity have the power to amend and reissue the financial statements.

The custodian and administrator of the Funds is State Street Australia Limited (the “Custodian”). The ultimate holding company of the Custodian is State Street Corporation (incorporated in the United States of America).

## 2 Basis of preparation of interim report

These interim financial statements for the half-year ended 31 December 2023 have been prepared in accordance with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and Interpretations issued by the Australian Accounting Standards Board (“AASB”) and the *Corporations Act 2001* in Australia. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 *Interim Financial Reporting*.

The interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these condensed financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2023 and any public announcements made in respect of the Funds during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The Funds are for-profit funds for the purpose of preparing the financial statements.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The Statements of financial position are presented on a liquidity basis.

Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets at fair value through profit or loss and net assets attributable to unitholders.

The Funds manage financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within twelve months, however, an estimate of that amount cannot be determined as at reporting date.

In the case of net assets attributable to unitholders, the units are redeemable on demand at the unitholders’ option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within twelve months cannot be reliably determined.

## 2 Basis of preparation of interim report (continued)

### (a) Significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are consistent with those applied in the preparation of the Funds' financial statements for the year ended 30 June 2023.

There are no other standards, interpretations or amendments to existing standards that are effective for the first time for the half-year beginning 1 July 2023 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

### (b) Interim measurement

The nature of the Funds' operations is such that income and expenses are incurred in a manner which is not impacted by any form of seasonality.

This interim report is prepared based upon an accrual concept, which requires income and expenses to be recorded as earned or incurred and not as received or paid throughout the period.

There have been no changes in the risk management policies and processes of the Funds since year end.

## 3 Fair value measurement

The Funds measure and recognise the following assets and liabilities at fair value on a recurring basis:

- Financial assets at fair value through profit or loss (see Note 4)

The Funds have no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 requires disclosure of fair value measurements by level of the following fair value hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

### (i) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The Funds value their investments in accordance with the accounting policies set out in Note 2 to the annual financial statements.

The quoted market price used for financial assets held by the Funds are the last traded price; the appropriate quoted market price for financial liabilities is the last traded price. When the Funds hold derivatives with offsetting market risks, they use mid-market prices as a basis for establishing fair values for the offsetting risk positions and apply this last traded price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

### (ii) Valuation techniques used to derive level 2 and level 3 fair value

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

### 3 Fair value measurement (continued)

*(ii) Valuation techniques used to derive level 2 and level 3 fair value (continued)*

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Funds would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Funds hold. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

#### Recognised fair value measurements

The table below presents the Funds' financial assets measured at fair value according to the fair value hierarchy as at 31 December 2023 and 30 June 2023.

#### VanEck Australian Floating Rate ETF

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>As at 31 December 2023</b>				
<b>Financial assets at fair value through profit or loss</b>				
Debt securities	-	684,076	-	684,076
<b>Total</b>	-	684,076	-	684,076
<b>As at 30 June 2023</b>				
<b>Financial assets at fair value through profit or loss</b>				
Debt securities	-	621,874	-	621,874
<b>Total</b>	-	621,874	-	621,874

### 3 Fair value measurement (continued)

#### Recognised fair value measurements (continued)

##### VanEck Australian Corporate Bond Plus ETF

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>As at 31 December 2023</b>				
<b>Financial assets at fair value through profit or loss</b>				
Debt securities	-	294,346	-	294,346
<b>Total</b>	-	294,346	-	294,346
<b>As at 30 June 2023</b>				
<b>Financial assets at fair value through profit or loss</b>				
Debt securities	-	253,376	-	253,376
<b>Total</b>	-	253,376	-	253,376

##### VanEck Australian Subordinated Debt ETF

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>As at 31 December 2023</b>				
<b>Financial assets at fair value through profit or loss</b>				
Debt securities	-	1,201,285	-	1,201,285
<b>Total</b>	-	1,201,285	-	1,201,285
<b>As at 30 June 2023</b>				
<b>Financial assets at fair value through profit or loss</b>				
Debt securities	-	804,400	-	804,400
<b>Total</b>	-	804,400	-	804,400

The Funds' policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

*(i) Transfers between levels*

There were no transfers between the levels in the fair value hierarchy for the half-year ended 31 December 2023 and year ended 30 June 2023. There were also no changes made to any of the valuation techniques applied as at 31 December 2023.

*(ii) Fair value measurements using significant unobservable inputs (level 3)*

The Funds did not hold any financial instruments with fair value measurements using significant unobservable inputs during the half-year ended 31 December 2023 or year ended 30 June 2023.

*(iii) Fair values of other financial instruments*

Due to their short-term nature, the carrying amounts of receivables and payables are assumed to approximate fair value.

#### 4 Financial assets at fair value through profit or loss

	VanEck Australian Floating Rate ETF		VanEck Australian Corporate Bond Plus ETF	
	As at		As at	
	31 December 2023	30 June 2023	31 December 2023	30 June 2023
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets at fair value through profit or loss</b>				
Debt securities	<u>684,076</u>	<u>621,874</u>	<u>294,346</u>	<u>253,376</u>
<b>Total financial assets at fair value through profit or loss</b>	<u>684,076</u>	<u>621,874</u>	<u>294,346</u>	<u>253,376</u>

	VanEck Australian Subordinated Debt ETF	
	As at	
	31 December 2023	30 June 2023
	\$'000	\$'000
<b>Financial assets at fair value through profit or loss</b>		
Debt securities	<u>1,201,285</u>	<u>804,400</u>
<b>Total financial assets at fair value through profit or loss</b>	<u>1,201,285</u>	<u>804,400</u>

#### 5 Units issued

Movements in the number of units during the half-year were as follows:

	VanEck Australian Floating Rate ETF		VanEck Australian Corporate Bond Plus ETF	
	Half-year ended		Half-year ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	No.'000	No.'000	No.'000	No.'000
Opening balance	25,252	15,104	16,007	12,510
Applications	2,520	4,520	1,920	4,320
Redemptions	(120)	-	-	(120)
Units issued upon reinvestment of distributions	<u>9</u>	<u>3</u>	<u>13</u>	<u>7</u>
Closing balance	<u>27,661</u>	<u>19,627</u>	<u>17,940</u>	<u>16,717</u>

## 5 Units issued (continued)

	VanEck Australian Subordinated Debt ETF	
	Half-year ended	
	31 December 2023	31 December 2022
	No.'000	No.'000
Opening balance	33,253	12,322
Applications	15,360	6,880
Redemptions	(240)	(1,840)
Units issued upon reinvestment of distributions	16	3
Closing balance	<u>48,389</u>	<u>17,365</u>

As stipulated within the Funds' Constitutions, a unit confers an equal undivided, vested, and infeasible interest in the assets as a whole, subject to the liabilities. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Funds.

### Capital risk management

The amount of net assets attributable to unitholders can change significantly on a daily basis as the Funds are subject to daily applications and redemptions at the discretion of the Authorised Participants as defined in the Funds' PDS.

Daily applications and redemptions are reviewed relative to the liquidity of the Funds' underlying assets on a daily basis by the Responsible Entity. Under the terms of the Funds' Constitutions, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unitholders.

## 6 Distributions to unitholders

The distributions during the half-year were as follows:

	VanEck Australian Floating Rate ETF			
	Half-year ended			
	31 December 2023	31 December 2023	31 December 2022	31 December 2022
	\$'000	CPU	\$'000	CPU
Distributions paid	12,922	49.00	4,041	24.00
Distributions payable	<u>2,750</u>	<u>10.00</u>	<u>1,477</u>	<u>7.50</u>
<b>Total distributions</b>	<u>15,672</u>	<u>59.00</u>	<u>5,518</u>	<u>31.50</u>

## 6 Distributions to unitholders (continued)

	<b>VanEck Australian Corporate Bond Plus ETF</b>			
	<b>Half-year ended</b>			
	<b>31 December 2023</b>	<b>31 December 2023</b>	<b>31 December 2022</b>	<b>31 December 2022</b>
	<b>\$'000</b>	<b>CPU</b>	<b>\$'000</b>	<b>CPU</b>
Distributions paid	3,908	22.50	3,047	21.00
Distributions payable	<u>897</u>	<u>5.00</u>	<u>755</u>	<u>4.50</u>
<b>Total distributions</b>	<u><b>4,805</b></u>	<u><b>27.50</b></u>	<u><b>3,802</b></u>	<u><b>25.50</b></u>

	<b>VanEck Australian Subordinated Debt ETF</b>			
	<b>Half-year ended</b>			
	<b>31 December 2023</b>	<b>31 December 2023</b>	<b>31 December 2022</b>	<b>31 December 2022</b>
	<b>\$'000</b>	<b>CPU</b>	<b>\$'000</b>	<b>CPU</b>
Distributions paid	23,536	58.00	4,564	34.00
Distributions payable	<u>5,807</u>	<u>12.00</u>	<u>1,657</u>	<u>9.50</u>
<b>Total distributions</b>	<u><b>29,343</b></u>	<u><b>70.00</b></u>	<u><b>6,221</b></u>	<u><b>43.50</b></u>

## 7 Events occurring after the reporting period

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Funds disclosed in the Statements of financial position as at 31 December 2023 or on the results and cash flows of the Funds for the half-year ended on that date.

## 8 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 31 December 2023 and 30 June 2023.

## Directors' declaration

In the opinion of the Directors of the Responsible Entity:

- (a) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when these debts become due and payable; and
- (b) the interim financial statements and notes are in accordance with the *Corporations Act 2001* and compliance with relevant accounting standards and therefore give a true and fair view of the financial position and performance of the Funds.

This declaration is made in accordance with a resolution of the Directors.



Michael Brown  
Director

Sydney  
5 March 2024



## Independent auditor's review report

To the Unitholders of the following VanEck Australian Fixed Income Funds (collectively the "Funds")

- VanEck Australian Floating Rate ETF
- VanEck Australian Corporate Bond Plus ETF
- VanEck Australian Subordinated Debt ETF

### Conclusion

We have reviewed the accompanying half-year financial report of the VanEck Australian Fixed Income Funds (the "Funds"), which comprises the statements of financial position as at 31 December 2023, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Funds does not comply with the *Corporations Act 2001*, including:

- a) Giving a true and fair view of the Funds' financial position as at 31 December 2023 and of their financial performance for the half-year ended on that date; and
- b) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Funds in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### Directors' responsibilities for the half-year financial report

The directors of the Responsible Entity of the Funds are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Funds' financial position as at 31 December 2023 and their performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Ernst & Young*

Ernst & Young

*Rita Da Silva*

Rita Da Silva  
Partner  
Sydney  
5 March 2024