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JULY 2026

VanEck Australian Long Short Complex ETF

ASX Code: ALFA

Investment objective

ALFA aims to outperform the Benchmark over the medium to long term after fees and other costs.

Benchmark

Benchmark is S&P/ASX 200 Accumulation Index.

Performance as at 31 July 2026

	1 month (%)	3 months (%)	6 months (%)	1 year (%)	Since ALFA inception (% p.a.)
Total Return	**-1.61**	**-3.26**	**-0.22**	**7.36**	**7.06**
Benchmark	2.26	4.13	2.86	6.01	7.82
Difference	**-3.87**	**-7.39**	**-3.08**	**1.35**	**-0.76**

Benchmark is S&P/ASX 200 Accumulation Index.

The table above shows past performance of the Fund from 21 January 2025. Results are calculated to the last business day of the month and assume immediate reinvestment of distributions. Fund results are net of management fees and costs, but before brokerage fees or bid/ask spreads incurred when investors buy/sell on the ASX. Returns for periods longer than one year are annualised. Past performance is not indicative of current or future performance which may be lower or higher. Benchmark information has been obtained from sources believed to be reliable but VanEck does not warrant its completeness or accuracy.

Key benefits

High conviction long short strategy: Unconstrained high conviction Australian equity portfolio that targets long and short positions.

Active systematic approach: A dynamic quantitative stock selection approach utilising sophisticated computations and programmed learning designed to be agnostic of market cycle and style rotations.

Outperformance potential: Alternate Australian equity strategy that aims to deliver excess return over the medium to long-term.

Key risks

The Fund is considered to have a higher investment risk than a comparable fund that does not engage in short selling and leverage. An investment in the Fund carries risks associated with: short selling risk, leverage risk, prime broker risk, counterparties risk, concentration risk, operational risk and material portfolio information risk. See the PDS and TMD for details.

Key information

Inception date	21 January 2025
Benchmark	S&P/ASX 200 Accumulation Index
Market exposure	Maximum: 150% long / 50% short; Net exposure: 90-100%
Average Holdings	15 to 50 long/0 to 25 short
Management fee	0.39% p.a.*
Performance fee	20% of the Fund's return above the Benchmark, subject to a high watermark
Total net assets	$36.78m

*Other costs may apply. Please refer to the PDS.

Source: VanEck, as at 31 July 2026.

Australian markets commentary

Australian equities posted solid gains in July, with the S&P/ASX 200 returning +2.26%. A steady unemployment rate of 4.4% and persistently elevated inflation prompted the market to firm up expectations for another rate hike this year. This contributed to large caps leading the market, with the S&P/ASX 20 returning +3.70%, while small caps lagged, with the S&P/ASX Small Ordinaries falling 3.17%.

Energy was the strongest performer, returning 12.21% as the oil price surged briefly above $90 a barrel amid renewed uncertainty surrounding the Strait of Hormuz. Financials followed, adding 5.84%, while Health Care returned 2.27%, though it remains down more than 20% year to date.

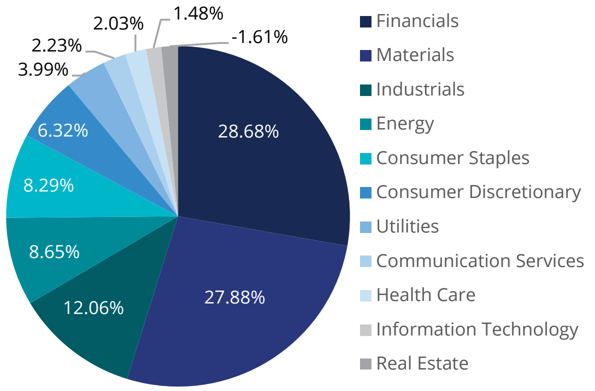
Information technology was the worst performer, falling 2.79%, with industrials, utilities and materials also lower, declining 1.35%, 0.95% and 0.85% respectively.

Portfolio performance update

In July, the VanEck Australian Long Short Complex ETF (ASX: ALFA) returned -1.61%, underperforming the S&P/ASX 200 by 3.87% as the benchmark advanced 2.26%.

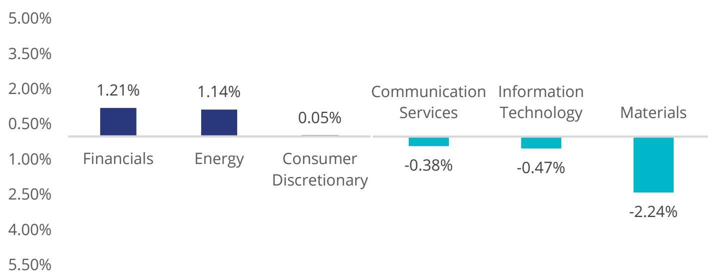
Energy was the standout positive, contributing around 0.54% of relative return through an overweight position and favourable stock selection, as several fuel and refining names rerated on stronger earnings. This was more than offset by Materials, which detracted around 1.95%, driven almost entirely by stock selection as rare earth and lithium miners fell. Financials also detracted, costing around 0.73%, while Consumer Staples and Communication Services were smaller negatives.

GICS sector summary



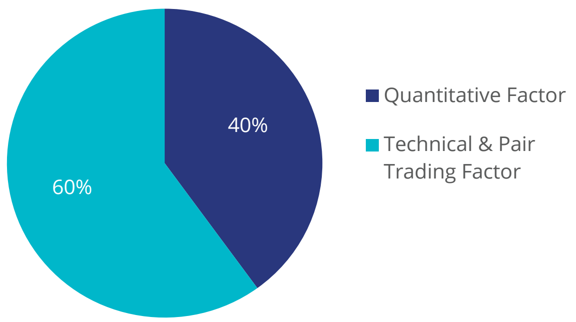
Source: VanEck, as at 31 July 2026.

GICS level 1 contribution (top 3/bottom 3)



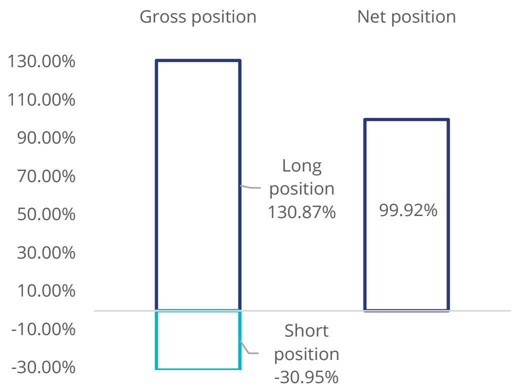
Source: VanEck, as at 31 July 2026.

Strategy breakdown



Source: VanEck, as at 31 July 2026.

Market exposure



Source: VanEck, as at 31 July 2026. Net equity exposure is the total long equity position minus the total short equity position.

Performance drivers for the month

Key stock contributors for the month:

Viva Energy Group Limited (Long, +30bps). Viva Energy was one of the leading contributors over the month, adding around 30 basis points as its shares rallied strongly. The company refines, imports and distributes fuel across Australia through its Geelong refinery and supply network, and operates a national convenience and fuel retailing business. The rerating followed a first half trading update in late July in which the company guided to materially higher earnings than the prior year, driven by a recovery in refining margins, which prompted the market to reassess the earnings power of the business.

IAG (Long, +20bps). Insurance Australia Group contributed around 20 basis points. IAG is Australia's largest general insurer, with leading personal and commercial lines franchises spanning brands such as NRMA Insurance and CGU. The position benefited from the defensive, non-cyclical character of general insurance earnings and the support of firm premium rates, which helped the holding hold up as the market rotated away from resources during the month.

Key stock detractors for the month:

Lynas Rare Earths Limited (Long, -59bps). Lynas was the portfolio's largest detractor over the month, costing around 59 basis points. The company is the largest rare earths producer outside China, mining the high-grade Mount Weld deposit in Western Australia and processing material through its facilities in Kalgoorlie and Malaysia, which gives it a strategically important position in the non-China supply of the neodymium and praseodymium used in permanent magnets. Its June quarter update in late July showed improved revenue growth but production came in below expectations on operational issues at the expanded Mount Weld plant, and the market focused on that execution shortfall rather than the favourable pricing backdrop, sending the shares lower.

Cobram Estate Olives Limited (Long, -17bps). Cobram Estate Olives detracted around 17 basis points. The company is an Australian food and agribusiness that grows olives and produces premium extra virgin olive oil, with groves and milling operations in Victoria and California and brands including Cobram Estate, Red Island and California Olive Ranch. Early in the month it released its 2026 Australian harvest update confirming a lower olive crop than the prior year, reflecting the natural biennial cycle in which 2026 is an off year, with a substantially larger harvest expected in 2027. Coming after a strong run in the shares, the softer near-term production outlook weighed on the stock.

Portfolio positioning and outlook

A relief rally has unfolded over the past few months across out of favour sectors including consumer discretionary, health care and information technology, which ALFA is underweight, and most notably a rotation away from resources, weighing on performance. This move has been largely sentiment rather than fundamental driven.

Looking ahead, we think there is a strong case that the relief rally could prove to be short-lived, with the upcoming August reporting season potentially acting as a catalyst for a rotation back to companies with pricing power.

Australia's banks have noted a considerable decline in new mortgage demand following three rate hikes and Federal government's changes to negative gearing and capital gains tax. Additionally, property prices are declining, and clearance rates are at multi year lows. House price weakness and slowing loan book growth risk weighing on household consumption, with small cap consumer discretionary names and the banks most exposed given the knock-on effect of falling household wealth.

The RBA cash rate could move higher, with inflation elevated across several components particularly housing, food, transport and services. The 4.75% minimum wage increase effective from July adds further cost pressure for businesses. This could put downward pressure on more rate-sensitive, growth-oriented parts of the equity market.

Despite the recent pullback, we remain optimistic on the outlook for materials. It is one of the few sectors offering growth at a reasonable price, trading below its price to 12 month forward earnings 10-year historical average and one of the highest forward EPS growth rates. Electrification, AI infrastructure, renewable energy, and defence spending are medium term tailwinds creating lasting demand for copper, aluminium, rare earths, and battery metals. Additionally, global conditions appear to be shifting toward a reflationary environment of higher inflation and growth. Manufacturing activity is expanding, and US labour market conditions are improving, supporting demand for raw materials.

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