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AUGUST 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 August 2026

	1 month (%)	6 months (%)	YTD (%)	1 year (%)	Since ALFA inception (% p.a.)
Total Return	**3.18**	**-2.72**	**9.04**	**1.60**	**8.79**
Benchmark	1.54	0.32	6.30	4.40	8.42
Difference	**1.64**	**-3.04**	**2.74**	**-2.80**	**0.37**

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	$37.2m

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

Source: VanEck, as at 31 August 2026.

Australian markets commentary

Australian equities extended their gains in August, with the S&P/ASX 200 returning +1.54%.

Mid and small caps recorded more net beats than large caps contributing to their outperformance. Despite Australia's banks reporting in-line results, they on average recorded negative share price reactions with investors focused on the average 15% drop in loan applications, potentially lowering forward earnings growth following the Federal Governments announced tax and negative gearing changes.

Health Care was the strongest performer, returning 18.83% as the sector staged a comeback after a heavy prolonged run of underperformance. Upbeat forward revenue guidance from CSL was a key driver. Materials followed, returning 12.22% after reporting one of the highest sector net beat rates, ~27% EPS year on year growth with record high copper and gold prices, and cost discipline contributing to the move.

A higher-than-expected CPI print, with trimmed mean inflation at 3.6% year on year, firmed rate hike bets and weighed on rate-sensitive sectors with A-REITs returning -6.55%.

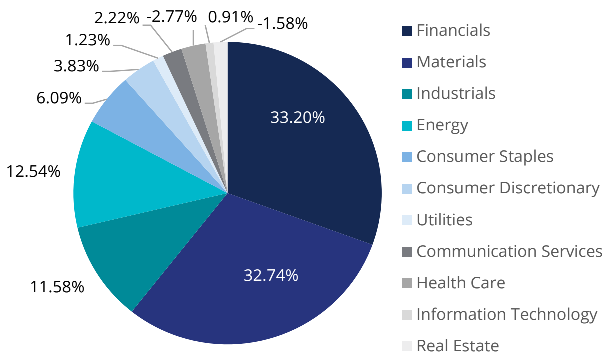
Consumer discretionary was the worst performer, falling 7.93% as several names missed sales estimates amid cost-of-living pressures.

Portfolio performance update

In August, the VanEck Australian Long Short Complex ETF (ASX: ALFA) returned 3.18%, outperforming the S&P/ASX 200 by 1.63% as the benchmark advanced 1.54%.

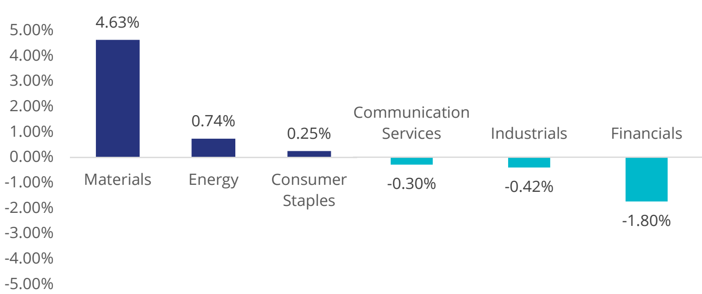
Materials was the largest source of relative return, contributing around 1.59% through a combination of an overweight position and stock selection within the sector, as resources names led the market. Real Estate added around 0.60% and Energy around 0.53%, in both cases driven principally by positioning rather than selection, with the portfolio net short Real Estate into a falling sector and overweight Energy. Consumer Discretionary contributed around 0.45% and Financials around 0.33%. Underweight healthcare exposure detracted 1.27%.

GICS sector summary



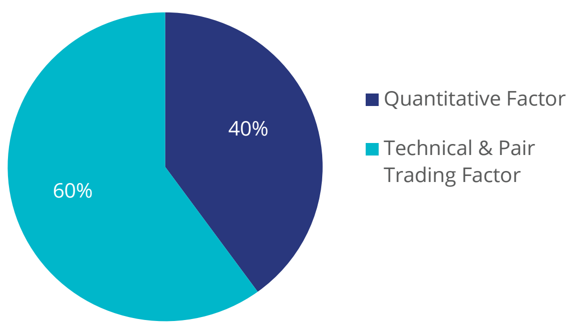
Source: VanEck, as at 31 August 2026.

GICS level 1 contribution (top 3/bottom 3)



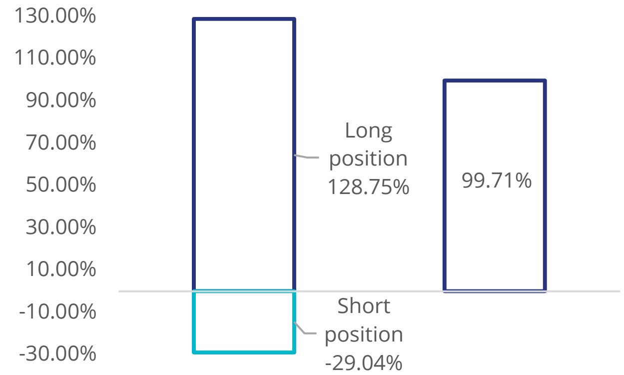
Source: VanEck, as at 31 August 2026.

Strategy breakdown



Source: VanEck, as at 31 August 2026.

Market exposure



Source: VanEck, as at 31 August 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:

Sandfire Resources Ltd (Long, +29bps). Sandfire was the largest long contributor, adding around 29 basis points from an average weight of approximately 2.0% against a benchmark weight of approximately 0.4%, with the shares returning around 21%. Sandfire is the largest pure play copper producer on the ASX, operating the MATSA underground copper and polymetallic complex in Spain and the Motheo copper mine in Botswana. The month brought two supports. Copper reached record levels early in August, with the COMEX price setting an all-time high of US$6.77 per pound on 7 August following the Democratic Republic of Congo's announcement that it would ban copper concentrate exports, and the London market subsequently tightened to the point where the cash to three-month spread reached US$434 a tonne, a five-year high. Sandfire then reported its FY26 result on 26 August, eliminating all debt, tripling underlying profit and reinstating dividends for the first time in more than four years. Revenue excluding investment income rose 9.2% to US$9,115.2 million is not the relevant figure here; on Sandfire's own numbers, revenue rose 41% to US$1,653.7 million and net profit attributable to members rose 282% to US$355.8 million, with underlying earnings up 214% to US$350.0 million and a fully franked final dividend of 35 Australian cents declared. The shares touched a record A$25 intraday on the day of the result.

Codan Limited (Long, +17bps). Codan added around 17 basis points from an average weight of approximately 1.4% against a benchmark weight of approximately 0.2%, with the shares returning around 17%. Codan is an Adelaide based technology manufacturer operating across tactical communications and metal detection, the latter through the Minelab brand. The company reported FY26 revenue of $875.0 million, up 30%, with EBIT up 67% to $244.1 million and net profit after tax up 69% to $175.2 million, both slightly ahead of the guidance issued on 29 April 2026, and declared a fully franked annual dividend of 48.5 cents per share, up 70%. Communications revenue grew 22% to $506.2 million with segment margins expanding to 31%, the order book rose 50% year on year to $380 million, and Minelab revenue rose 42% with segment profit up 65% on new product launches. The shares rose 11.8% to $48.61 on the announcement.

Key stock detractors for the month.

Telstra Group Limited (Long, -17bps). Telstra was the largest long detractor, costing around 17 basis points from an average weight of approximately 4.6% against a benchmark weight of approximately 2.0%, with the shares returning around -5%. Telstra is Australia's largest telecommunications provider, with a defensive earnings profile anchored in mobile and a substantial infrastructure asset base. The FY26 result released on 13 August delivered underlying EBITDA of $8.3 billion, up 4% and in line with the guidance management had set, alongside a final dividend of 10.5 cents, up 10.5%, and a further on-market buyback of up to $1 billion. Guidance for FY27 points to underlying EBITDA of $8.5 billion to $8.8 billion, implying a further year of growth. The share price nonetheless fell 3.2% on the day, with the market focusing on total income, which declined roughly 0.9%, and on postpaid subscriber trends in the second half following the May price increases. Given the size of the overweight, a mid single digit decline carried a proportionate relative cost.

Medibank Private Ltd (Long, -15bps). Medibank detracted around 15 basis points from an average weight of approximately 2.2% against a benchmark weight of approximately 0.5%, with the shares returning around -6%. Medibank is Australia's largest private health insurer, operating the Medibank and ahm brands alongside a health services division. The FY26 result on 20 August delivered group revenue of $9.12 billion, up 5.9%, underlying net profit after tax of $636.8 million, up 2.9%, and a fully franked dividend of 19.2 cents, up 6.7%. The health services division was the standout, growing segment profit 31.3% to $100.7 million, with management guiding to further growth of around 25% in FY27. Resident policyholder numbers grew 1.1%. The shares fell around 7% on the day, with the market focused on the pace of underlying growth in the core insurance book, where average claims expense per policy unit rose 2.6%.

Portfolio positioning and outlook

Australia's August earnings season saw investors reward companies demonstrating growth at a reasonable price (GARP) and cost discipline, while those facing margin pressure or softening forward guidance sold off. This contributed to ALFA outperforming the benchmark over the month, with the fund's overweight positions in the top-performing materials and energy sectors, and its underweight position in Australia's underperforming banks, the key drivers.

Looking ahead, we think there is a strong case for GARP companies and sectors that are less sensitive to higher interest rates to continue outperforming over the second half of the year for several reasons.

We remain optimistic on the outlook for materials. The sector recorded one of the strongest net earnings beat rates, 27% earnings growth for FY26, with exposure to gold, copper and lithium among the standouts. Gold miners reported strong earnings growth and profit margin expansion, while higher copper prices and cost discipline supported diversified miners. Some Lithium companies returned to profitability as prices, volumes and utilisation improved.

Materials also continue to offer growth at a reasonable price, trading below 20-year historical 12-month forward P/E average and higher forward EPS growth than the S&P/ASX 200. Structural demand from electrification, AI infrastructure, renewable energy and defence spending also creates lasting tailwinds for copper, aluminium, rare earths and battery metals. Global conditions appear to be shifting towards a reflationary environment of stronger growth and higher inflation, further supporting demand for raw materials.

There is a strong chance that the RBA will raise rates in September, with the possibility of two hikes by year-end. Trimmed mean inflation came in higher than expected at 3.6% year on year and showed early signs of the flow-on effects from the 4.75% minimum wage increase that took effect in July, particularly across services and food inflation. If expectations for further rate hikes firm, this could put downward pressure on more rate-sensitive parts of the equity market, supporting our underweight positions in REITs and consumer discretionary companies. Several consumer discretionary companies also missed sales estimates, highlighting the impact of cost-of-living pressures and reinforcing our underweight positioning.

We are cautious on Australia's banks. They recorded a considerable decline in new mortgage demand following three rate hikes and Federal government's proposed changes to negative gearing and capital gains tax. Additionally, property prices have declined, and clearance rates are at multi year lows. Slowing credit growth and increased competition for deposits could put downward pressure on net interest margins and earnings growth.

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