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SEPTEMBER 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 30 September 2026

	1 month (%)	6 months (%)	YTD (%)	1 year (%)	Since ALFA inception (% p.a.)
Total Return	-0.78	2.22	8.18	-1.66	7.83
Benchmark	-2.42	5.43	3.74	2.68	6.44
Difference	+1.64	-3.21	+4.44	-4.34	+1.39

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	\$36.7m

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

Source: VanEck, as at 30 September 2026.

Australian markets commentary

Australian equities pulled back in September after five consecutive monthly gains, with the S&P/ASX 200 returning -2.42%.

Conflict in the Middle East pushed crude oil above US\$100 per barrel, adding to Australia's persistent inflation problem. Headline inflation reached 4.0% year-on-year in August, while trimmed mean inflation held at 3.6%, well above the RBA's 2-3% target band. On 29 September, the RBA raised the cash rate by 25 basis points to 4.60%, taking cumulative tightening this year to 100 basis points.

Health Care was the strongest sector, gaining 4.4%. CSL continued its rebound on improving confidence in its long-term earnings outlook. Energy rose a modest 0.6%, as gains in oil producers and refiners were largely offset by sharp falls in uranium stocks.

Commodity price falls across iron ore, gold and lithium contributed to materials returning -5.95%.

Information Technology was the weakest sector, falling 10.6% as Australian 10-year bond yields surged above 5.4% and investors grew less willing to wait years for earnings growth. Xero and WiseTech fell 31.3% and 19.3% respectively, the latter also weighed down by ongoing governance concerns. Rate sensitive sectors including real estate and consumer discretionary were also among the worst performers.

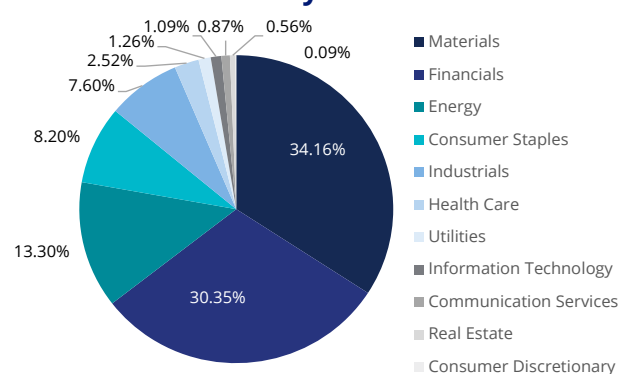
Portfolio performance update

In September, the VanEck Australian Long Short Complex ETF (ASX: ALFA) returned -0.78%, outperforming the S&P/ASX 200 by 1.64% as the benchmark fell 2.42%.

Communication Services was the largest source of outperformance, contributing around 0.71% with several short positions the key driver. Energy added around 0.55% through an overweight position and stock selection, with Santos, Ampol and Viva Energy all rising following the spike in oil prices. Information Technology contributed around 0.55% with a long position in Codan and several short positions the key contributor.

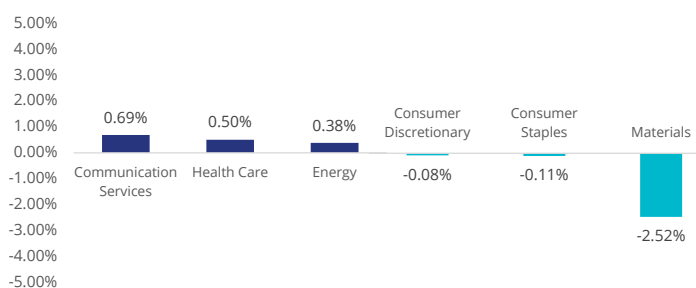
Materials was the largest detractor, costing around 0.65%, as the overweight position and holdings in lithium and gold producers weighed on returns. Health Care was a small positive at around 0.09%, with stock selection offsetting the underweight position as the sector rose.

GICS sector summary



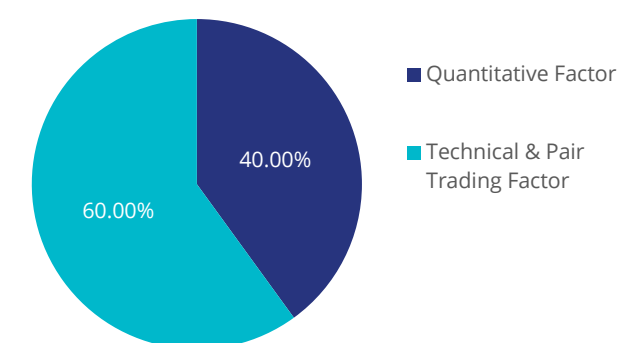
Source: VanEck, as at 30 September 2026.

GICS level 1 contribution (top 3/bottom 3)



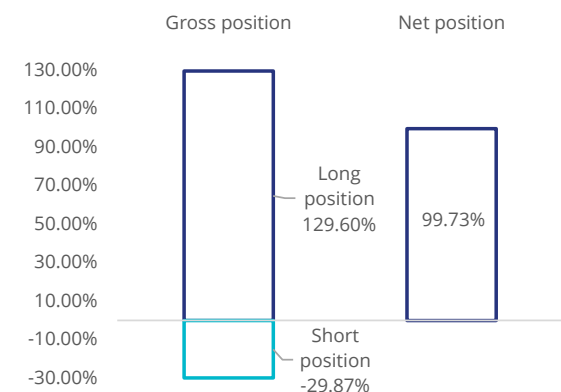
Source: VanEck, as at 30 September 2026.

Strategy breakdown



Source: VanEck, as at 30 September 2026.

Market exposure



Source: VanEck, as at 30 September 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:

Codan Limited (Long, +55bps). Codan was the largest contributor for the second consecutive month, with the shares returning 41%. Codan is an Adelaide based technology manufacturer operating across tactical communications and metal detection. The largest move came on 29 September, when Codan guided first half FY27 net profit after tax of at least \$160 million, more than double the \$71.2 million reported a year earlier, subject to final product mix and shipments. The upgrade was driven by the communications business, which supplies equipment to defence, military and public safety customers.

Ramsay Health Care Limited (Long, +18bps). Ramsay share price returned 10%. Ramsay operates hospitals across Australia, France, the UK and Sweden, and is the largest private hospital group in each of those markets other than the UK. The shares reached a multi-year high in early September and were supported by a rotation into healthcare as rate expectations rose. The company is also progressing the separation of its European business, with a demerger booklet for the proposed in-specie distribution of Ramsay Santé shares due in October 2026.

Key stock detractors for the month.

PLS Group Limited (Long, -57bps). PLS Group fell 28% for the month. PLS is Australia's largest independent lithium producer, operating the Pilgangoora project in Western Australia. The decline reflected the commodity rather than company specific news. Lithium carbonate prices fell 17% in the first half of September and sat 34% below their mid-May highs, as higher production across the industry moved the market towards oversupply, and Chinese lithium futures fell more than 14% over three days to 11 September. The sell-off came despite a record FY26 result, which saw a reported more than doubling in company revenue and a 17% increase in production levels. The company's forward guidance was also indicative of further increases to production levels in FY27.

Xero Limited (Long, -39bps). Xero shares returned -31%. Xero is a global provider of cloud accounting software to small businesses. The company released no profit warning, earnings downgrade or major operational update during the month. The shares instead fell with the broader software sector, as expectations of a further RBA rate rise increased, Australian 10-year bond yields sat around 5.3%, and investors continued to question the effect of AI on software businesses. Xero's most recent result, for FY26, reported operating revenue up 31% to NZ\$2.75 billion, adjusted EBITDA up 18% to NZ\$757.4 million and free cash flow of NZ\$554 million.

Portfolio positioning and outlook

Looking ahead, we think there is a strong case for quality and growth at a reasonable price (GARP) companies, and sectors that are less sensitive to higher interest rates, to outperform over the coming months.

Stagflation concerns, characterised by higher inflation and weaker growth, started to bite in September, with the RBA increasing rates despite unemployment edging higher to 4.6%. We think these conditions could intensify.

Trimmed mean inflation remains above 3%, with elevated price pressures across several key categories, including housing, food, transport and services. There is also potential for upside inflation surprises over the coming months as the 4.75% increase in minimum award wages, effective from July, flows through the economy. This could prompt the RBA to raise rates again later this year.

Further rate hikes could put downward pressure on more rate-sensitive sectors, 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, reinforcing our positioning.

For quality at a reasonable price within financials, we like Australia's general insurers over the banks. General insurers have pricing power, with revenues typically linked to inflation and relatively inelastic demand. Operating margins have also increased in recent years. On average, they offer a 40% higher return on equity and trade at 30% lower valuations than the banks, based on 12-month forward price-to-earnings ratios.

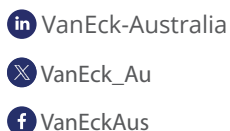
Australia's banks have recorded a considerable decline in new mortgage demand following rate hikes and the federal government's proposed changes to negative gearing and capital gains tax. Property prices have also declined, and clearance rates are at multi-year lows. Slowing credit growth could weigh on earnings growth, while increased competition for deposits could put downward pressure on net interest margins.

For growth at a reasonable price, we like materials. The sector recorded one of the strongest net earnings beat rates and earnings growth outcomes for FY26, with companies exposed 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.

Additionally, materials price to 12 months earnings are near their 20-year historical average. Structural demand from electrification, AI infrastructure, renewable energy and defence spending also creates lasting tailwinds for copper, aluminium, rare earths and battery metals. While Australia faces stagflation risks, global conditions appear to be shifting towards a reflationary environment of stronger growth and higher inflation, further supporting demand for raw materials.

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