

VanEck[®]



ASX: TBIL

VanEck 1-3 Month US Treasury Bond ETF

Efficient access to US Treasury Bills and income

Short-term US Treasury Bills offer three key benefits:



HIGH CREDIT QUALITY

In times of market stress, improving the credit quality of your fixed income sleeve can help build portfolio resilience. US government bills are high-quality securities that can diversify your investment portfolio.



DEFENCE

Historically, when stock markets sell off, these short-term bonds have experienced a 'flight-to-quality'. These bonds can serve as a portfolio hedge against 'risk-off' periods.



ATTRACTIVE INCOME

TBIL's focus on short-dated maturity US Treasury Bills offers the potential for attractive income, paid monthly.

What is a US Treasury Bill (T-Bill)?

Treasury bills, usually referred to as T-Bills, have maturities of one-year or less and are backed by the US government.

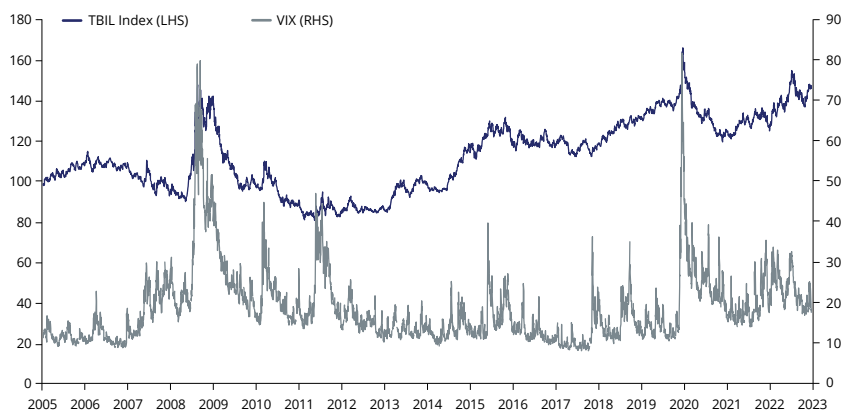
Why TBIL?

There are three key reasons why investors should consider allocating to this asset class:

- 1. Attractive yield:** Short-term US Treasury Bills offer close to the federal funds rate and serve as a proxy for risk-free interest rates.
- 2. Risk management:** In times of market stress, investors gravitate towards short-term US Treasury Bills as a safe haven as they are extremely liquid. The US Government is highly rated by Fitch, S&P and Moody's.
- 3. USD exposure:** The AUD is considered a 'risk on' currency so in times of uncertainty it typically depreciates relative to USD. USD exposure could provide capital appreciation during periods of economic weakness.

T-Bills as a defence

The chart below shows that an unhedged AUD exposure to T-Bills has experienced positive returns when market volatility increases, as represented by the VIX index. The Chicago Board Options Exchange's CBOE Volatility (VIX) Index is a measure of the stock market's expectation of volatility based on the S&P 500 index.



Source: Bloomberg, VanEck Source: VanEck, Bloomberg. Chart shows performance of Bloomberg U.S. Treasury Bills: 1-3 Months Unhedged AUD Index compared to VIX Index. You cannot invest in an index. Past performance is not a reliable indicator of future performance of the index or TBIL.

ASX code TBIL

Commencement date 18 May 2023

Management fee 0.22% p.a.*

Index Bloomberg U.S. Treasury Bills 1-3 Months: Unhedged AUD Index

Dividend frequency Monthly

Investment objective

Access to high credit quality US Treasuries which represent the Bloomberg U.S. Treasury Bills 1-3 Months: Unhedged AUD Index moving in line with short-term interest rates. US Treasuries have high credit quality and are one of the most liquid securities offering a portfolio hedge against risk-off periods. US Treasury bonds offer the potential for attractive income.

Index description

The Bloomberg U.S. Treasury Bills 1-3 Months: Unhedged AUD Index is intended to capture the performance of US Treasury Bills issued by the US Government with time to maturity between 1 and 3 months. To be included in the index, the bonds must have an investment grade rating as determined by Bloomberg, and must be public obligations of the US Treasury.

Key risks

There are risks associated with an investment in TBIL. These include but are not limited to interest rate movements, currency, bond markets generally, issuer default, credit ratings, country and issuer concentration, liquidity, tracking an index and fund operations.

*Other fees and costs apply. Please see the PDS for more details.

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