

PPH

VanEck Pharmaceutical ETF

Analyst Report

This ETF is one of several options for achieving exposure to the pharma industry, a corner of the health care market that is capable of delivering big returns but that also comes with some unique risk factors. Given this investment objective, PPH is probably more useful for those looking to achieve tactical exposure to this specific corner of the market; the appeal to buy-and-holders will be limited since many of the components are included in more broad-based funds.

A couple aspects of PPH are noteworthy. First, though PPH is now structured as a true ETF, it used to be one of the HOLDRS products offered by Merrill Lynch. Some of the concentration that was characteristic of those products remains in PPH; the portfolio is relatively shallow and concentration in the top allocations is significant. Further, PPH includes only U.S. stocks, meaning that some of the biggest players in the pharmaceutical industry are excluded from the underlying portfolio.

PPH is a decent option for pharma exposure, but there are probably some better ETFs out there for tapping into this segment of the market. IHE offers better depth of holdings, while DRGS may be appealing to those looking to achieve truly global exposure.

ESG Themes and Scores

7.31/10

ESG Rate

80.64%

Global Percentile

86.72%

Peer Percentile

Performance Data

	PPH	ETF Database Category Average	Factset Segment Average
1 Month	1.73%	7.86%	1.73%
3 Month	6.35%	15.54%	6.35%
YTD Return	4.37%	8.68%	4.37%
1 Year Return	24.59%	35.57%	24.59%
3 Year Return	13.06%	8.71%	13.06%
5 Year Return	9.98%	1.14%	9.98%

Top 5 Holdings

Symbol	Holding	% Assets
LLY	Eli Lilly and Company	19.57%
NVS	Novartis AG Sponsored ADR	10.78%
MRK	Merck & Co., Inc.	9.60%
NVO	Novo Nordisk A/S Sponsored ADR Class B	5.51%
PFE	Pfizer Inc.	4.67%

Vitals

Issuer	VanEck
Brand	VanEck
Structure	ETF
Expense Ratio	0.36%
Inception	Dec 20, 2011
Index Tracked	MVIS US Listed Pharmaceutical 25

ETF Database Themes

Category	Health & Biotech Equities
Asset Class	Equity
Asset Class Size	Multi-Cap
Asset Class Style	Blend
Region (General)	Developed Markets
Region (Specific)	Broad

FactSet Classifications

Segment	Equity: Global Pharmaceuticals
Category	Sector
Focus	Health Care
Niche	Pharmaceuticals
Strategy	Vanilla
Weighting	Market Cap

