

11 January 2019

## UPDATE OF THE VANECK PRODUCT DISCLOSURE STATEMENT DATED 22 SEPTEMBER 2017 INCORPORATING CETF, GDV AND MOAT ("THE PDS")

### RE: VANECK VECTORS CHINAAMC CSI 300 ETF (ASX CODE: CETF) - REDUCTION IN ANNUAL MANAGEMENT COSTS

This notice updates certain information in the PDS with effect from 10 January 2019 (United States Eastern Standard Time (US EST)), as set out below. This notice should be read with the PDS and with the *Summary of Fees and Other Costs*, both of which are available free of charge at <https://www.vaneck.com.au/library/regulatory-documents/> or by calling 1300 68 38 37. Terms defined in the PDS or *Corporations Act 2001 (Cth)* have the same meaning in this notice.

**Effective 10 January 2019 (US EST), management costs for VanEck Vectors ChinaAMC CSI 300 ETF (ASX code: CETF) will be reduced from 0.72% p.a. to 0.60% p.a.** until at least 1 May 2020. Under the revised fee waiver interest expense incurred by the Fund will be a capped expense included in management costs and not an additional uncapped transactional and operational cost. The Adviser's fee remains unchanged.

As a result of the above change, the information in the PDS is updated as follows:

1. All references in the PDS to management costs for CETF are to be read as 0.60% p.a.;
2. The information under the fee table in section 8.1 on page 24 is replaced with the following:

\*See section 8.4 for more information. The management costs are a reasonable estimate and include the Adviser's and Sub-Adviser's fees as well as certain recoverable expenses incurred in the operation of the Fund. The Adviser has agreed to waive a portion of its fee and/or pay expenses (excluding, among others, trading costs and taxes which are uncapped expenses) to the extent necessary to prevent the management costs exceeding 0.60% p.a. of the Fund's average daily net assets until at least 1 May 2020.

#### Example of annual fees and costs

The following table provides an example of how the fees and costs for VanEck Vectors ChinaAMC CSI 300 ETF can affect your investment over a 1 year period. You should use this table to compare this product with other managed investment products.

EXAMPLE: VANECK VECTORS CHINAAMC CSI 300 ETF		BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR
Contribution fees	Nil	For every additional \$5,000 you put in you will be charged \$0
<b>PLUS</b> management costs	0.60% p.a. <sup>1</sup>	<b>And</b> , for every \$50,000 you have in the Fund you will be charged \$300 each year.
<b>EQUALS</b> Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of <b>\$300 to \$330</b> <sup>2</sup> depending on when you made the additional contribution

- 1 This example applies the management costs based on Adviser's fee waiver and expense cap. Additional fees may apply. See section 8.4 for more information.
- 2 The cost of the Fund assumes that the investment amounts do not rise or fall in capital value and remain invested to the end of the year.



3. Section 8.4.2 **Transactional and operational costs** on page 27 is modified for CETF only as follows:

The transactional and operational costs listed below are excluded from CETF's 0.60% p.a. management costs cap and are uncapped. These uncapped expenses may be paid from the Fund and are accounted for in the NAV as and when they arise:

- trading expenses (including things such as brokerage); and
- taxes.

Commencing 10 January 2019 (US EST) until at least 1 May 2020, interest expense incurred by the Fund will be a capped expense included in management costs and not an additional uncapped transactional and operational cost.

The estimated uncapped transactional and operational costs for the previous financial year (to 31 December 2018) and for the current financial year (to 31 December 2019) under the revised fee waiver are set out below:

Transactional and operational costs	2018 <sup>^</sup>	2019*
As a percent of NAV	0.24%	0.11%
Cost per \$50,000 p.a.	\$120	\$55

<sup>^</sup> Based on 11 months to 30 November 2018 annualised

\* Based on 2018 adjusted for the revised fee waiver

4. The Fund Supplement for CETF on page 42 is updated by replacing the section '**Management costs**' with the following:

0.60% p.a. of the Fund's net asset value.

The management costs include an Adviser fee (of 0.50% p.a. of the Fund's net asset value) as well as recoverable operating expenses incurred in the operation of the Fund. The Adviser has agreed to waive a portion of the Adviser fee and/or pay Fund expenses (excluding trading costs and taxes which are uncapped expenses) to the extent necessary to prevent the total management costs of the Fund from exceeding 0.60% p.a. of the Fund's average daily net assets until at least 1 May 2020. The management costs are a reasonable estimate of the management costs and are determined by reference to the previous year's expenses actually incurred by the Funds. See section 8.4 of the PDS for further information.

**For more information:**

- Call 1300 68 38 37
- Go to <https://www.vaneck.com.au/funds/cetf/documents/>

**IMPORTANT NOTICE:** This notice is issued by VanEck Investments Limited ABN 22 146 596 116 AFSL 416755 ('VanEck') on behalf of VanEck Vectors ETF Trust ARBN 604 339 808 (the 'Trust'). VanEck is a wholly owned subsidiary of Van Eck Associates Corporation based in New York, United States. The Trust is the issuer of shares and CDIs in the VanEck Vectors ChinaAMC CSI 300 ETF ('CETF'). VanEck Associates serves as the investment adviser to CETF. The Trust and CETF are regulated by US laws which differ from Australian laws. The Trust is organised in the State of Delaware, US. Liability of investors is limited.

This information contains general advice only about a financial product and is not personal advice. It does not take into account any person's individual objectives, financial situation or needs. Investing in international markets has specific risks that are in addition to the typical risks associated with investing in the Australian market. These include currency/foreign exchange fluctuations, ASX trading time differences and changes in foreign laws and tax regulations. Before making an investment decision in relation to a fund, you should read the PDS and with the assistance of a financial adviser consider if it is appropriate for your circumstances. The PDS is available at [www.vaneck.com.au](http://www.vaneck.com.au) or by calling 1300 68 38 37.

CETF is subject to elevated risks associated with investments in Chinese securities, including A-shares, which include, among others, political and economic instability, inflation, confiscatory taxation, nationalisation, and expropriation, market volatility, less reliable financial information, differences in accounting, auditing, and financial standards and requirements and uncertainty of implementation of Chinese law. In addition, CETF is also subject to liquidity and valuation risks, currency risk, non-diversification risk and other risks associated with foreign and emerging markets investments.

Past performance is not a reliable indicator of future performance. No member of the VanEck group of companies or the Trust gives any guarantee or assurance as to the repayment of capital, the payment of income, the performance or any particular rate of return from CETF.