



VanEck Investments Limited
ABN 22 146 596 116, AFSL 416755
Level 47, Suite 2, 25 Martin Place
Sydney NSW 2000
www.vaneck.com.au

26 July 2021

PRODUCT DISCLOSURE STATEMENT DATED 19 AUGUST 2020
NOTICE OF ADDRESS AND NAME CHANGE

Effective 26 July 2021, the address of the fund offered under the PDS dated 19 August 2020 is changed to Level 47, Suite 2, 25 Martin Place, Sydney NSW 2000 and renamed as follows:

Code	Previous name	New name
DVDY	VanEck Vectors Morningstar Australian Moat Income ETF	VanEck Morningstar Australian Moat Income ETF

All other contact details remain unchanged and the change of name has no impact on the management or operation of the fund.

The ASX trading codes for the fund has not changed.

For more information:

- Call 1300 68 38 37
- Go to vaneck.com.au

IMPORTANT NOTICE: VanEck Investments Limited is the responsible entity and issuer of a range of VanEck exchange traded funds on ASX ("Funds"). This information contains general advice only about financial products and is not personal advice. It does not take into account any person's individual objectives, financial situation or needs. Before making an investment decision in relation to a Fund, you should read the relevant PDS available at www.vaneck.com.au or by calling 1300 68 38 37 and with the assistance of a financial adviser consider if it is appropriate for your circumstances. No member of the VanEck group of companies gives any guarantee or assurance as to the repayment of capital, the performance, or any particular rate of return of any Fund. Past performance is not a reliable indicator of future performance.



Access the opportunities.

Product Disclosure Statement

ASX code	Fund name	ARSN	iNAV code
DVDY	VanEck Vectors Morningstar Australian Moat Income ETF	642 722 594	YDVD

Issued by VanEck Investments Limited
ABN 22 146 596 116 AFSL No 416755

Issue date: 19 August 2020

Corporate directory

Responsible Entity

VanEck Investments Limited
Aurora Place
Level 4, 88 Phillip Street
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Website: www.vaneck.com.au

Registrar

Link Market Services Limited
Locked Bag A14
Sydney South, NSW, 1235
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Website: www.linkmarketservices.com.au
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Monday to Friday
Telephone: +61 2 8038 3317
Facsimile: +61 2 8038 3349
E-mail: capital.markets@vaneck.com.au
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Auditor

Ernst & Young
Level 34, EY Centre
200 George Street
Sydney, NSW, 2000
Telephone: (02) 9248 5555

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1 Important information to read first

1.1 This product disclosure statement

This product disclosure statement ('**PDS**') is issued by VanEck Investments Limited ABN 22 146 596 116 AFSL No 416755 as responsible entity of VanEck Vectors Morningstar Australian Moat Income ETF ('**the Fund**').

The Fund is a registered managed investment scheme having Australian Registered Scheme Number (ARSN) 642 722 594. A class of units in the Fund ('**ETF Units**') is expected to be admitted to quotation and trading as an Exchange Traded Fund ('**ETF**') on the Australian Securities Exchange ('**ASX**'). ETF Units may also be traded on the licensed financial market operated by Chi-X Australia Pty Ltd ('**Chi-X**'). For ease, all references in this PDS are only to '**ASX**'.

References in this PDS to '**VanEck**', '**us**', '**we**', '**our**' or '**Responsible Entity**' are a reference to VanEck Investments Limited in its capacity as responsible entity of the Fund. Capitalised terms (Like This) in this PDS are defined in the '*Glossary of terms*'.

A copy of this PDS has been lodged with the Australian Securities and Investments Commission ('**ASIC**') and ASX, and will be lodged with the Registrar of Financial Service Providers, New Zealand ('**RFSPNZ**'). Neither ASIC, RFSPNZ nor ASX take any responsibility for the contents of this PDS. We have applied to ASX for ETF Units in the Fund to be admitted to trading status on ASX under the AQUA Rules as an ETF. As at the date of this PDS, ETF Units are yet to be quoted. No applications for ETF Units will be accepted until the exposure period has expired and ETF Units are quoted on ASX. The exposure period expires seven days after the date of this PDS, subject to possible extension by ASIC for a further seven days. The date of this PDS is the date it was lodged with ASIC.

1.2 Authorised Participants

The offer of ETF Units in this PDS is only for Authorised Participants (or '**APs**'). Only APs may acquire ETF Units directly from VanEck by submitting an application for a creation (see section 11).

1.3 ASX Investors

All investors may trade ETF Units on ASX ('**ASX Investors**'), in the same way they trade shares in a listed company, through their online broker, stockbroker or financial adviser ('**Broker**') and are not required to submit an application under this PDS. ASX Investors may use this PDS for information purposes only and are bound by its terms.

1.4 The offer in this PDS

The offer of ETF Units referred to in this PDS is for a class of ETF Units in the Fund that are quoted on ASX. As at the date of this PDS, the Fund only has

a single class of ETF Units. Under the Constitution, VanEck is permitted to establish different classes of ETF Units.

1.5 Up to date information

All information in this PDS is current as at the date of this PDS. Unless otherwise stated, VanEck sources its data from public or licensed market data. Information and terms in this PDS are subject to change from time to time. We may provide notices of any updates or changes to information that are not materially adverse to investors by publishing a notice at www.vaneck.com.au on the Fund's page. If we issue a supplementary or replacement PDS, in addition to updating the documents on our website we will make an announcement on ASX. A paper copy of this PDS and any updated information will be provided free of charge on request by contacting us at 1300 68 38 37.

1.6 General advice warning

This PDS contains general information only about Australian financial products and is not personal financial advice. It does not constitute an offer in any other jurisdiction. It is not a recommendation by us or any other person to invest in the Fund. The information does not take into account the individual investment objectives, financial situation or needs of any person. Before making an investment decision, you should consider (in consultation with a licensed financial adviser) whether the decision is appropriate for your investment strategy, individual risk tolerance, financial situation, needs and objectives. You can check if an adviser is licensed by contacting ASIC on 1300 300 630 or at www.asic.gov.au.

An investment in the Fund is subject to various risks (see section 9), including possible delays in repayment and loss of income and capital invested. None of VanEck Investments Limited, VanEck Australia Pty Ltd, Van Eck Associates Corporation or their related entities, directors or officers, give any guarantee or assurance as to the performance of the Fund, the payment of income or the repayment of capital invested.

1.7 Foreign Investors

Foreign professional and institutional investors may act as Authorised Participants subject to relevant laws and regulations which may include restrictions on redemptions. Other Foreign Investors may trade ETF Units on ASX via their Broker.

ETF Units are not intended to be sold to United States ('**US**') Persons as defined under Regulation S of the US federal securities laws.

2 About VanEck

2.1 VanEck Investments Limited

VanEck Investments Limited is the Responsible Entity and AQUA product issuer of the Fund and the issuer of this PDS and the ETF Units. As such VanEck is ultimately responsible for the management, operation and administration of the Fund.

For more information about VanEck's powers and duties as Responsible Entity see section 14.1.

VanEck Investments Limited is a wholly owned Australian subsidiary of New York based asset manager Van Eck Associates Corporation.

2.2 VanEck Vectors ETFs

VanEck's exchange traded products ('ETPs') have been offered in the US since 2006 and span many asset classes including equities and fixed income in both developed and emerging markets.

As at 31 July 2020 VanEck's family of ETPs totalled over \$78 billion in assets under management, making it one of the largest ETP families worldwide.

2.3 Founded in 1955

Van Eck Associates Corporation is a privately held global asset management firm founded in New York in 1955. The firm was among the first US money managers helping investors achieve greater diversification through global investing.

Today we are recognised for being a pioneer in global markets and for drawing on our experience to offer innovative solutions.

Our mission is to offer investors intelligently designed investment strategies that take advantage of targeted market opportunities.

With affiliated offices in key financial centres and regions including New York, Sydney, Shanghai, Frankfurt, Amsterdam, Dublin, Madrid and Zurich, VanEck offers investors broad investment reach with deep experience.

As at 31 July 2020, the firm managed over \$87 billion in investor assets including its VanEck Vectors ETP business.

For more information on VanEck, visit www.vaneck.com.au.

3 Summary of the Fund

Subject	Summary	For more information
Responsible Entity	VanEck Investments Limited ABN 22 146 596 116 AFSL No 416755	Sections 2, 14
Type of investment: Exchange Traded Fund (ETF)	An ETF is an open-ended fund that aims to track the performance, before fees and other costs, of a financial market index by investing in a portfolio of securities that constitute the index. Units in an ETF are traded on ASX. As such, an ETF gives investors easy access and cost effective exposure to the portfolio of securities held by the ETF via a single trade on ASX.	Sections 5, 6, 7
Investment purpose	The Fund gives investors access to a diversified portfolio of dividend paying quality ASX-listed companies selected by Morningstar®.	Sections 7, 8
Investment objective	The Fund aims to provide investment returns before fees and other costs which track the performance of the Reference Index.	
Reference Index	Morningstar® Australia Dividend Yield Focus Index™	
Investment strategy	The Fund employs a passive management strategy of investing directly in the securities that comprise the Reference Index.	
Benefits	The Fund provides investors with: <ul style="list-style-type: none"> o cost effective and easy access to a portfolio of Australian equities via a single trade on ASX; o transparency of holdings, pricing and performance; and o flexibility of intraday ASX trading capability. Compared to unlisted actively managed funds, investors benefit from: <ul style="list-style-type: none"> o trading via live prices on ASX; o potentially lower costs; liquidity; o transparency and intraday trading; and o less paperwork 	Section 5
Risks	An investment in the Fund is subject to various risks which may have the effect of reducing the value of the Fund, resulting in a loss of your capital invested and a lack of income from the Fund. This is a summary of key risks only. You should carefully read section 9 for more details: <ul style="list-style-type: none"> o Dividend risk: the risk that companies in the Fund that have paid dividends in the previous year do not pay a dividend in the current period. o Market risk: an investment in the Fund involves risks associated with investing in the stock market, including general economic conditions and sudden and unpredictable drops in value; and o Index tracking error risk: the risk that the performance of the Fund differs from the performance of the Reference Index (including due to fees and costs); You should carefully consider the risks described in detail in section 9 in consultation with a financial adviser before deciding to invest.	Section 9
Investing in the Fund		
All investors		
Unit Price or 'NAV'	The Unit Price or NAV of the Fund is calculated as the Fund Net Asset Value divided by the number of ETF Units on issue. It is calculated daily based on ASX closing prices of the securities in the Fund's portfolio for that day and will be made available at www.vaneck.com.au prior to the open of the next Trading Day	Section 7
Authorised Participants – transacting under this PDS		
Transacting with VanEck by APs	Authorised Participants must enter into an agreement with VanEck and submit written applications for creations or redemptions of ETF Units.	Section 11
Price paid by APs	Authorised Participants transact with VanEck for creations or redemptions of ETF Units at the Fund's NAV calculated following the close of trading for that day, plus or minus fees and other costs.	

Subject	Summary	For more information				
Cutoff time for APs	4pm on each ASX Trading Day unless we agree otherwise.					
Creations	ETF Units can only be created in multiples of Creation Units for the Fund, unless we agree otherwise. Payment for a creation must generally be made by the Authorised Participant in the form of a specified parcel of securities (' Standard Basket ') plus or minus a residual cash amount (' Standard Basket Transaction '). If we agree, payment may also be made by: (i) cash, or (ii) a combination of securities and cash (' Non-Standard Transaction ').					
Redemptions	ETF Units can only be redeemed in multiples of Redemption Units, unless we agree otherwise. Payment of redemption proceeds will primarily be in the form of a Standard Basket Transaction. If we agree, the redemption proceeds may also be paid by a Non-Standard Transaction.					
APs minimum transaction size	Unless we agree otherwise in advance, the minimum number of ETF Units for a creation (one ' Creation Unit ') and a redemption (one ' Redemption Unit ') are as follows:					
	<table border="1"> <thead> <tr> <th>Fund</th> <th>No. of ETF Units per Creation Unit or Redemption Unit</th> </tr> </thead> <tbody> <tr> <td>DVDY</td> <td>100,000</td> </tr> </tbody> </table>	Fund	No. of ETF Units per Creation Unit or Redemption Unit	DVDY	100,000	
Fund	No. of ETF Units per Creation Unit or Redemption Unit					
DVDY	100,000					
Investing in the Fund via ASX – ASX Investors						
Buying/selling ETF Units on ASX	ASX Investors may buy and sell ETF Units in the Fund on ASX through their Broker just like trading shares in listed companies. A Market Maker is engaged to facilitate liquidity for trading in ETF Units on ASX. There is no minimum trade size on ASX. You should check with your Broker.	Sections 4, 5, 14				
ASX prices	ASX Investors trade ETF Units at trading prices quoted on ASX throughout each ASX Trading Day. The presence of a Market Maker means trading prices should remain close to the NAV, adjusted for changes in value of the underlying assets during the ASX Trading Day.					
Cooling-off	There are no cooling-off rights applicable to the offers in this PDS or to trading of ETF Units on ASX.					
Fees and other costs						
All investors						
Management costs	<table border="1"> <thead> <tr> <th>Fund</th> <th>Management costs</th> </tr> </thead> <tbody> <tr> <td>DVDY</td> <td>0.35% p.a.</td> </tr> </tbody> </table> <p>Management costs are inclusive of GST and net of any reduced input tax credits and may be negotiated by wholesale clients.</p>	Fund	Management costs	DVDY	0.35% p.a.	Section 10
Fund	Management costs					
DVDY	0.35% p.a.					
Transactional and operational costs	Additional costs relating to trading in the portfolios and associated operational activities will also apply – see section 10.3.					
Authorised Participants only – also pay						
Transaction fees for creations and redemptions	<table border="1"> <thead> <tr> <th>Fund</th> <th>Contribution fees or withdrawal fees (excl. GST) per transaction</th> </tr> </thead> <tbody> <tr> <td>DVDY</td> <td>\$500</td> </tr> </tbody> </table> <p>Contribution and withdrawal fees may be negotiated and may change without notice.</p>	Fund	Contribution fees or withdrawal fees (excl. GST) per transaction	DVDY	\$500	Section 10
Fund	Contribution fees or withdrawal fees (excl. GST) per transaction					
DVDY	\$500					
Additional costs for cash transactions	The estimated additional transactional and operational costs incurred by the Fund in relation to cash transactions are charged to Authorised Participants as a buy/sell spread on creations and redemptions or recovered from APs by way of a true up following settlement.					
Dividends						
Frequency	<table border="1"> <thead> <tr> <th>Fund</th> <th>Expected frequency</th> </tr> </thead> <tbody> <tr> <td>DVDY</td> <td>Quarterly</td> </tr> </tbody> </table>	Fund	Expected frequency	DVDY	Quarterly	Section 12
Fund	Expected frequency					
DVDY	Quarterly					
Dividend Reinvestment Plan	A Dividend Reinvestment Plan (' DRP ') is available subject to the DRP Rules. Dividends will be paid as cash to your nominated bank account					

Subject	Summary	For more information
	<p>unless you contact the Registrar and elect to have dividends reinvested. Your dividends will then appear as additional ETF Units in your account.</p>	
Additional information		
Website	<p>The following information is available at www.vaneck.com.au:</p> <ul style="list-style-type: none"> o Fund Net Asset Value; o Unit Price; o portfolio holdings; o number of ETF Units outstanding; o the current PDS, any supplementary PDS and notice of any updates or changes that are not materially adverse to investors; o DRP Rules; o information about any dividends; o a link to any announcements lodged with the ASX Market Announcements Platform (including continuous disclosure notices); o any other disclosure that is made available or provided to Unitholders; and o annual reports and half-yearly reports (including financial statements). 	
Statements	<p>The following statements will be provided to investors:</p> <ul style="list-style-type: none"> o holding statement – for any transactions made during the month; o annual tax statement including dividend statement – after 30 June each year; and o periodic statement showing your transactions and investments in the Fund – sent annually and following your exit from the Fund. 	
Electronic communications	<p>To reduce our carbon footprint most types of statements are issued in electronic form. When you become a Unitholder in the Fund, you will receive a welcome letter that provides instructions for you to login at the Registrar's investor centre and provide certain information. If you wish to receive communications by post, please login at the investor centre or call 1300 68 38 37 to change your preferences.</p>	

4 The AQUA Rules

4.1 The AQUA Rules

ETF Units in the Fund are admitted to trading on ASX under the AQUA Rules. The AQUA Rules are a subset of the ASX Operating Rules that provide a tailored framework for the quotation of managed funds, ETFs and other products on ASX, providing issuers with access to ASX back office clearing and settlement services.

The only products that can be admitted to trading under the AQUA Rules are those where the product has a capital value or dividends linked to liquid underlying instruments with robust and transparent pricing mechanisms.

Under the AQUA Rules, ASX generally requires the issuer to facilitate liquidity in the ETF Units by way of the appointment of a 'Market Maker' whose role generally is to act as a seller and buyer to match demand from purchasers and sellers of ETF Units on ASX in certain circumstances and subject to certain conditions. As a result, the Fund is expected to remain liquid.

4.2 VanEck has no influence or control over the value of the underlying assets

The key difference between products admitted to trading under the ASX Listing Rules and those admitted to trading under the AQUA Rules is the level of influence that the issuer has over the underlying instrument.

Under the ASX Listing Rules, a listed equity issuer typically lists securities which reflect the value of a business which they operate and control. By contrast, securities admitted to trading under the AQUA Rules typically reflect the value of some other asset which the issuer does not control, such as a parcel of listed securities of other companies, indices, bonds, commodities or currency.

The value of the Fund reflects the value of the underlying portfolio of securities in the Fund and not the value of VanEck's business.

The following table highlights the key differences between the ASX Listing Rules and the AQUA Rules. VanEck is an AQUA product issuer under the AQUA Rules.

4.3 Key differences between the ASX Listing Rules and the AQUA Rules

ASX Listing Rules	AQUA Rules
Continuous disclosure	
Issuers are subject to the continuous disclosure requirements under Listing Rule 3.1 and section 674 of the <i>Corporations Act</i> .	AQUA product issuers are not subject to the continuous disclosure requirements under Listing Rule 3.1 and section 674 of the <i>Corporations Act</i> (because the underlying instruments are) but must disclose via the ASX Market Announcements Platform: <ul style="list-style-type: none"> o ETF Units outstanding on a monthly basis; o dividends; o information the non-disclosure of which may lead to the establishment of a false market in its products or would materially affect the price of its products; and o any other information that is required to be disclosed to ASIC under section 675 of the <i>Corporations Act</i> which must be disclosed to ASX at the same time it is disclosed to ASIC.
Periodic disclosure	
Issuers are required to disclose their half-yearly and annual financial information or annual reports to ASX under Chapter 4 of the Listing Rules	AQUA product issuers are currently not required to disclose their half-yearly and annual financial information or annual reports to ASX, however, as the Responsible Entity of the Fund which is a registered managed investment scheme, we are still required to lodge with ASIC and disclose to ASX at the same time, financial reports for the Fund required under Chapter 2M of the <i>Corporations Act</i> .
Corporate control	
Requirements in the <i>Corporations Act</i> and the Listing Rules in relation to matters such as takeover bids, share buy-backs, change of capital, new issues, restricted securities, disclosure of directors' interests and substantial shareholdings, apply to companies and listed schemes.	These requirements do not apply to AQUA product issuers. Section 601FM of the <i>Corporations Act</i> continues to apply to the removal or change of the responsible entity. An extraordinary resolution would be required to change the Responsible Entity. An extraordinary resolution is a resolution supported by a majority of the total votes that may be cast by the Fund's members entitled to vote on the resolution.
Related party transactions	
Chapter 10 of the Listing Rules, which relates to transactions between an entity and persons in a position to influence the entity, specifies controls over related party transactions.	Chapter 10 of the Listing Rules does not apply to AQUA products. Products quoted under the AQUA Rules which are registered managed investment schemes remain subject to the related party requirements in Part 5C.7 and Chapter 2E of the <i>Corporations Act</i> .
Auditor rotation obligations	
There are specific requirements in relation to auditor rotation under Part 2M.4 Division 5 of the <i>Corporations Act</i> .	These requirements do not apply to AQUA product issuers. Responsible entities of registered managed investment schemes will continue to be required to have an independent audit of their compliance with each scheme's compliance plan in accordance with section 601HG of the <i>Corporations Act</i> and the auditor must not be the auditor of the scheme's financial statements (but may be from the same firm).
Disclosure documentation	
Entities admitted under the Listing Rules are subject to the requirements of the <i>Corporations Act</i> in relation to the issue of a prospectus or PDS.	Products admitted to trading under the AQUA Rules will also be subject to these requirements of the <i>Corporations Act</i> .

Source: ASX Rules Framework

5 Benefits of the Fund

5.1 Reference Index's strategy

The Fund provides investors access to the performance of its Reference Index.

For more information on the Fund's investment strategy and Reference Index methodology see sections 7 and 8.

5.2 Exchange Traded Funds

The Fund is an ETF. ETFs provide investors with the best attributes of both managed funds and listed shares. When you invest in the Fund, you gain access to a portfolio of investments, constructed using professional skills and knowledge that you may not have access to if you invest on your own.

ETFs can be easily traded on ASX like listed shares, with live pricing throughout the ASX Trading Day. The difference between a single trade in ETF Units and company shares is that when you buy ETF Units you acquire exposure to the performance of an entire portfolio of securities not just a single company, saving you money and time.

ETFs also provide potential advantages to investors including low costs and full daily transparency of the underlying portfolio holdings.

5.3 Lower costs

Since ETFs track an index, they are typically able to achieve lower operating costs. As a result they charge management costs which are generally lower than those of equivalent unlisted actively managed funds.

As is the case when trading shares, Broker fees will also apply when buying or selling ETF Units on ASX.

5.4 Diversification with a single trade

The Fund provides you with a simple way to access a diversified portfolio of listed equities via a single trade on ASX.

5.5 Liquidity

You can buy and sell ETF Units on ASX. Liquidity in the Fund is facilitated by a Market Maker. The Market Maker's role is to match buy and sell orders for ETF Units from ASX Investors.

5.6 Flexibility of trading on exchange

As the ETF Units are quoted on ASX, you have the flexibility to trade the ETF Units in the Fund throughout the day, like trading shares. You can even buy and sell on the same day (intraday trading).

5.7 Transparency of holdings

The Fund provides investors with transparency in respect of portfolio holdings which are published daily at www.vaneck.com.au.

5.8 Trading and intraday pricing on ASX

Being quoted on ASX means ETF Units are traded at trading prices which are continuously quoted throughout each ASX Trading Day.

An iNAV (indicative NAV) for the Fund is also available and is updated generally every 30 seconds but no less than every 15 minutes throughout each ASX Trading Day.

The iNAV enables you to see indicative changes in the NAV throughout the day and to trade the ETF Units with a much greater degree of certainty of pricing compared to unlisted managed funds which typically only calculate and publish a single unit price on the following day, based on the NAV at the close of trading the previous day.

The iNAV for each Fund is available from third party broker websites by entering the relevant iNAV code stated on the front cover of this PDS.

6 How the Fund works

6.1 Registered managed investment schemes

The Fund is registered with ASIC and regulated as a registered managed investment scheme, a class of units in which is admitted to trading on ASX (ETF Units). The Fund operates like most other managed investment schemes:

- o the Fund is constituted as a 'unit trust';
- o when you invest you acquire 'units' (like shares) in the trust which give you a beneficial interest in the assets of the Fund;
- o your money is pooled together in the Fund with other investors' money to buy investments which are managed by the Responsible Entity under fiduciary obligations to act in the best interests of all investors.

6.2 Primary and secondary markets

Large numbers of ETF Units are first issued by VanEck in the '**primary market**' to institutional investors (Authorised Participants) in exchange for a specified basket of Australian securities, or cash with which we buy securities, determined in accordance with the Fund's investment strategy. The securities become the assets of the Fund designed to meet the Fund's investment objective. Once ETF Units have been received by the AP (in exchange for securities and/or cash), the ETF Units are made available for trading on the '**secondary market**', i.e. on ASX.

ASX Investors can then buy and sell the ETF Units with the Authorised Participant, the Market Maker, or other ASX Investors in exchange for cash through CHES.

The issuing of ETF Units is known as a '**creation**'. When ETF Units are redeemed at the request of the Authorised Participant (in exchange for securities, or cash or a combination of both) this is known as a '**redemption**'. Authorised Participants can apply to create or redeem ETF Units based on the NAV at the end of the relevant Business Day. ASX Investors can generally trade throughout each ASX Trading Day at trading prices quoted on ASX.

6.3 Rights of Unitholders

Whether you invest in the Fund as an Authorised Participant or as an ASX Investor you hold ETF Units and have the rights of a Unitholder, as set out in the Constitution of the Fund. For more information on your rights as a Unitholder see section 14.2.

6.4 Roles and responsibilities

The key roles involved in the operation of the Fund are set out in the table below. VanEck may change the parties performing the roles named below at any time in its discretion with the exception of the Responsible Entity which can only be changed in accordance with the *Corporations Act*.

Role	Responsibility
Responsible Entity	Issues the ETF Units and this PDS and is responsible for operating the Fund.
Investment manager	Manages the investment portfolio of the Fund in line with the Fund's investment strategy. At the date of this PDS, the investment manager is VanEck.
Custodian	Holds the assets of the Fund for safe-keeping on behalf of the Responsible Entity and Unitholders. Assets are segregated from the Custodian's assets or any other funds' assets.
Fund Administrator	Processes creations, redemptions and other requests from Unitholders and maintains the books and records of the Fund, including: fund accounting; calculating Unit Prices and taxation.
Index Provider	Develops and maintains the Reference Index that the Fund aims to track.
Registrar	Maintains the register of Unitholders including: names, quantity of securities held, tax file numbers and DRP details; and issues correspondence to Unitholders on behalf of the Responsible Entity.
Authorised Participant	Transacts directly with the Responsible Entity to create (or redeem) ETF Units (primary market) to match demand from ASX Investors. In some cases also act as a Market Maker.
Market Maker	Subject to certain conditions, facilitates liquidity and trading volume in the Fund on ASX by acting as a seller and a buyer of some ETF Units to/from ASX Investors (secondary market) throughout the ASX Trading Day. In some cases acts as an Authorised Participant in the primary market and quotes the ETF Units on ASX for sale to ASX Investors.
Proxy voting agent	Specialist provider engaged by the Responsible Entity to conduct in-depth company research including ESG considerations and vote based on specified guidelines in the best interests of preserving shareholder value, as well as reporting and recordkeeping.

7 Investment objective, strategy and performance of the Fund

7.1 Investment objective of the Fund

The Fund aims to provide investment returns before fees and other costs which track the performance of the Reference Index in Australian dollars. The Fund does not aim to perfectly replicate the Reference Index on a one-to-one basis. See section 9.2.5 for more information.

7.2 Investment strategy of the Fund

7.2.1 *Passive physical replication*

The Fund employs a passive management strategy of physically replicating the Reference Index by investing directly in the securities that comprise the Reference Index in proportion to their relative weightings in the Reference Index. The Fund may also hold other securities determined by us as necessary to achieve the Fund's investment objective and as permitted under the AQUA Rules.

Every time a security is either added to or removed from the Fund's Reference Index, it may be necessary to make changes to the Fund's portfolio to track the Reference Index. See section 8 for more information on the Fund's Reference Index.

7.2.2 *Futures*

Futures traded on a licensed exchange may be used in the Fund in exceptional circumstances to gain market exposure without investing directly in underlying securities in the Reference Index or for the purpose of short term management of certain cash flows with the intention of reducing tracking error risk. This allows VanEck to maintain the Fund's liquidity without being under-invested. Importantly, derivatives are not used in the Fund for speculation or to leverage the Fund's portfolio. For more information see sections 9.2.5 and 9.2.11.

7.3 Performance information

Up to date performance information for the Fund and historical performance relative to the Reference Index is published at www.vaneck.com.au. The performance of the Fund will differ from that of its Reference Index. For more information see section 9.2.5. Neither the return of capital invested nor the performance of the Fund is guaranteed. Past performance is not an indicator of current or future returns which may be higher or lower.

7.4 Valuations and pricing

7.4.1 *Unit Price or NAV*

The Unit Price or '**NAV**' of the Fund is calculated by dividing the Fund Net Asset Value by the number of ETF Units outstanding at the time of the valuation. The Fund Net Asset Value is calculated by subtracting the total value of all the liabilities and provisions of the Fund from the total value of

all the assets of the Fund. The valuation methods applied by the RE to value the Fund's assets and liabilities are consistent with the range of ordinary commercial practices for valuations of assets and liabilities of the type held by the Fund.

7.4.2 *Investing via the ASX*

ASX Investors trade ETF Units at trading prices quoted on ASX throughout each ASX Trading Day. The presence of a Market Maker means trading prices should remain close to the NAV, adjusted for estimated or actual changes in the value of the underlying securities. The Market Maker charges a spread which means ASX Investors cannot trade at NAV.

7.4.3 *iNAV (Indicative Unit Price)*

The iNAV is an estimate only of the then current NAV of the Fund calculated based on the Fund's portfolio as at the open of trading that day and adjusted throughout the day, using market data, based on quotes and last sale prices.

At the date of this PDS we have arranged for ASX to calculate and distribute the iNAV for the Fund to third party Broker websites and other financial information service providers. We may change providers at our discretion. The iNAV code for the Fund is set out on the front cover of this PDS.

7.5 Borrowing arrangements

VanEck may maintain borrowing arrangements on behalf of the Fund for the purpose of short term management of certain cash flows with the intention of reducing tracking error risk. For more information see sections 9.2.5, 10.3.2 and 14.2.7.

The main purposes for borrowing by the Fund are for the short term management of certain cash flows associated with:

- Dividend equitisation – the Reference Index assumes that dividends are reinvested on the ex-date. In reality dividends are received by the Fund some time later; and
- Corporate actions – the Reference Index assumes that corporate actions are implemented on the ex-date, but in reality the cash or shares resulting from the corporate action are received by the Fund some time later.

7.6 Changes to the Fund's investment objective and strategy

We may from time to time vary the Fund's investment objective and strategy including replacing its Reference Index. The Index Provider may also vary or replace the Reference Index. We will notify Unitholders of any such changes.

7.7 Environmental, social and ethical considerations

The Fund aims to track the performance of its Reference Index. The Reference Index does not take into account labour standards or environmental, social or ethical considerations when selecting securities. Accordingly the Fund does not take such matters into consideration when acquiring or realising investments.

7.8 Proxy voting

We intend to vote all proxies in accordance with the best interests of Unitholders without influence

by real or apparent conflicts of interest. To assist in our responsibility for voting proxies and the overall voting process, we have engaged a third party proxy voting specialist.

The services provided by the specialist include: conducting in-depth company research including ESG considerations; providing voting recommendations and vote execution based on specified guidelines in the best interests of preserving shareholder value; as well as reporting and recordkeeping.

7.9 Securities lending

The Fund will not engage in securities lending.

8 Reference Index

Reference Index	Morningstar® Australia Dividend Yield Focus Index™
Index Provider	Morningstar Australasia Pty Ltd. ('Morningstar'). Morningstar is not a related body corporate of VanEck.
Overview	The Morningstar® Australia Dividend Yield Focus Index™ tracks the performance of a portfolio of approximately 25 high quality dividend paying Australian securities, excluding A-REITs (Australian Real Estate Investment Trusts).
Summary of Index methodology	<p>The Index is derived from the Morningstar® Australia Index™, a broad market index representing 97% of Australian equity market capitalisation. Only securities that have paid a dividend in the last 12 months at the rebalance date are eligible for inclusion.</p> <p>After screening companies for quality, based on a combination of their Morningstar Economic Moat™ rating, Morningstar Quantitative Economic Moat rating and Morningstar Distance to Default measure, Morningstar selects only the top 25 securities by trailing 12-month dividend yield for inclusion in the Index. The securities in the Index are weighted based on their trailing 12-month dollar dividends paid by the security, subject to a cap on individual securities to provide diversification.</p> <p>According to Morningstar an Economic Moat is a structural feature that allows a firm to sustain excess profits over a long period of time. Morningstar assigns companies one of three 'Moat Ratings': none, narrow, or wide. Companies with a narrow moat are those Morningstar believe are more likely than not to achieve excess returns for at least the next 10 years. Wide moat companies are those in which Morningstar has very high confidence that excess returns will remain for at least 10 years, and more likely than not for 20 years. Companies that have a Moat Rating of 'none' cannot be included in the index.</p> <p>If a company does not have an Economic Moat Rating which is determined by Morningstar's equity analysts, then a Morningstar Quantitative Economic Moat Rating will be used in its place.</p> <p>Distance to Default is a measure of a company's financial health based on Morningstar's assessment of the value of the firms' assets being sufficient to cover the firm's liabilities.</p>
Rebalances	The Reference Index is reviewed and rebalanced on a semi-annual basis, usually as of the close of the third Friday of June and December.
More information	Further information about the Reference Index and Morningstar is available at https://indexes.morningstar.com/ .
Morningstar Disclaimer	<p>DVDY is not sponsored, endorsed, sold or promoted by Morningstar Australasia Pty Ltd or its affiliated companies (collectively, 'Morningstar'). Morningstar makes no representation or warranty, express or implied, to the owners of DVDY or any member of the public regarding the advisability of investing in securities generally or in DVDY in particular or the ability of the Reference Index to track general stock market performance. Morningstar's only relationship to VanEck is the licensing of: (i) certain service marks and service names of Morningstar; and (ii) the Reference Index which is determined, composed and calculated by Morningstar without regard to VanEck or DVDY. Morningstar has no obligation to take the needs of VanEck or the owners of DVDY into consideration in determining, composing or calculating the Reference Index. Morningstar is not responsible for and has not participated in the determination of the prices and amount of DVDY or the timing of the issuance or sale of DVDY or in the determination or calculation of the equation by which the Fund is converted into cash. Morningstar has no obligation or liability in connection with the administration, marketing or trading of the Fund.</p> <p>MORNINGSTAR DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE REFERENCE INDEX OR ANY DATA INCLUDED THEREIN AND MORNINGSTAR SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. MORNINGSTAR MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY VANECK, OWNERS OR USERS OF DVDY, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE REFERENCE INDEX OR ANY DATA INCLUDED THEREIN. MORNINGSTAR MAKES NO EXPRESS OR IMPLIED</p>

WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE REFERENCE INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL MORNINGSTAR HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

9 Risks

9.1 What is risk?

All investments have some level of risk. Different investment strategies have different levels of risk depending on the underlying mix of assets that make up the strategy. Usually assets with the potential for the highest long-term returns carry the highest levels of short-term risk. These investments are generally described as more 'volatile' and have a higher risk of losing money, but they can also give you a better chance of achieving your long-term objectives. Investments that produce more stable returns are considered less volatile and therefore less risky, but they may not provide sufficient long-term returns for you to achieve your long-term goals.

The level of risk you are willing to accept will depend on a range of factors including:

- o your investment goals;
- o your age;
- o your investment time frame;
- o where other parts of your wealth are invested; and
- o your overall risk tolerance.

It is important for you to carefully consider the risks of investing in the Fund and to understand that:

- o the value of your investment will vary;
- o investment returns will vary and future returns may differ from past returns;
- o returns are not guaranteed and you may lose money; and
- o laws affecting managed investment schemes may change, impacting your investment.

You should consult a financial adviser to help you understand investment risk and design an investment strategy that is right for your individual risk tolerance, financial situation, needs and objectives.

9.2 General risks associated with the Fund

The significant risks that can affect the performance of the Fund are typical of the risks of managed funds whose portfolios consist primarily of shares listed on ASX.

9.2.1 Market risk

This is made up of a number of risks that affect entire financial markets and may include investor sentiment, economic impacts, regulatory conditions, industry or sector-specific events, and political and catastrophic events. In any asset class, the returns of individual securities are a combination of the market return and returns specific to each security. Growth investments such as shares generally have relatively higher market risk than bonds and cash. Investors should be aware that markets can fluctuate affecting the returns on an investment portfolio from day-to-day. This volatility may cause the value of an investment in the Fund to decrease.

9.2.2 Security specific risk

The value of a company's shares which make up part of the underlying assets in the Fund can be influenced by changes in and factors affecting company management, its business environment or profitability. These risks can impact the company's ability to repay its debt, its profitability and ultimately the value of its shares. By diversifying its holdings across multiple securities and market sectors, the Fund is generally insulated from the specific risks of individual securities.

9.2.3 Dividend risk

The risk that companies in the Fund that have paid dividends in the previous year do not pay a dividend in the current period. Even though the securities in the Index and Fund portfolio are selected for their historical dividend paying characteristics there is no guarantee that the securities will continue to pay dividends in the current year. If they don't they are removed from the Index and the Fund's portfolio.

9.2.4 Concentration risk

There is a risk that the Fund's assets are concentrated in a particular market sector.

9.2.5 Tracking error risk

This is the risk that the Fund fails to meet its investment objective and the performance of the Fund differs from the performance of its Reference Index, due to the extent to which the Fund is able to replicate the Reference Index, as a result of a number of factors, including but not limited to:

- o there may be times when the Fund is unable to replicate the securities and/or their weightings in the Reference Index;
- o in order to achieve the investment objective we may allow individual security weightings to vary from the Reference Index and may invest in securities that are not in the Reference Index;
- o the Fund will only hold securities that are listed on exchanges approved by ASX under the AQUA Rules;
- o differences between the Reference Index and the Fund in asset valuations and the timing of dividends and corporate actions;
- o differences between the trading price for securities achieved by the Fund and that determined by the Reference Index;
- o fees and other costs including taxation incurred by the Fund, but not by the Reference Index; and
- o the Fund may hold a small amount of cash.

9.2.6 ASX Trading risk

Secondary market trading of the ETF Units on ASX may be suspended by the ASX or halted by us because of market conditions or other reasons, for example a failure by the Market Maker to make a

market. In these circumstances, ASX Investors will be unable to buy or sell ETF Units and the processing of application for creations and redemptions for Authorised Participants may be suspended or modified.

9.2.7 Liquidity risk

This is the risk that an investment may not be able to be sold quickly enough to prevent or minimise a loss. A lack of liquidity may also affect the amount of time it takes us to satisfy a redemption request from Authorised Participants. As the underlying assets of the Fund are listed securities and a Market Maker has been appointed to support liquidity on ASX, the Fund is expected to be liquid but there is no assurance it will remain liquid at all times.

9.2.8 Market Maker risk

Although the ETF Units are admitted to trading on ASX, and a Market Maker is appointed to assist in maintaining liquidity in accordance with the AQUA Rules, there can be no assurance that there will be a liquid market if there is a failure by the Market Maker to make a market. A Market Maker's terms of appointment may limit or exclude its liability or recourse to it by Unitholders.

9.2.9 Trading price risk

As with any ETF, it is possible that the trading price of ETF Units on the ASX may differ from the NAV and the iNAV. The trading price is dependent on a number of factors including the demand for and supply of ETF Units, investor confidence, the availability of a Market Maker during the course of the Trading Day, the bid-offer spread charged by a Market Maker and how closely the Fund tracks the performance of the Reference Index.

The trading price may also be affected if there is a suspension of the creation and redemption process (see section 11 for more details). This process is designed to reduce the likelihood of ETF Units trading at a significant discount or premium to the NAV. If the creation or redemption process for the Fund is closed on a particular day, the trading price may diverge further from the NAV.

If the trading of the Fund's assets which form part of the Reference Index is suspended or restricted, the NAV and the iNAV may be affected.

Periods of increased market volatility or disruptions to the market making function may result in wider bid-offer spreads for ETF Units and trading prices that differ significantly from the Fund's NAV and iNAV. This risk may be higher in the period shortly after the ASX opens for trading and near the close of trading. If an investor purchases ETF Units at a time when the market price is at a premium to the iNAV or sells at a time when the market price is at a discount to the iNAV, then the investor may sustain losses. Investors should consider placing "limit orders" to reduce the risk of trading at unfavourable prices.

9.2.10 iNAV risk

This is the risk that iNAV for the Fund is wrong, not available or not up to date and different from the available trading price of the ETF Units on ASX.

9.2.11 Derivatives risk

Derivatives may be used by the Fund as described in section 7.2.2. Relevant derivatives derive their value from the performance of a reference asset, for example a share or a market index. The use of derivatives may expose the Fund to significant losses as the use of derivatives involves risks that are different from and potentially greater than, the risks associated with investing directly in the shares. For example, the risk of using derivatives include, but are not limited to, that of the derivative failing to move in line with the value of the underlying share, counterparty risk and potential illiquidity which may occur if a particular derivative instrument is difficult to purchase or sell. See section 9.3.18.

The risk that the Fund may not be able to close out a derivatives position is minimised by entering into such transactions with reputable counterparties or on an exchange with an active and liquid secondary market.

9.2.12 Fund risk

This is the risk that investing via the Fund may result in reduced performance compared to investing in the underlying securities directly because of: the fees and costs involved in investing in the Fund; the income or capital gains accrued in the Fund; and the consequences of creations and redemptions by Authorised Participants. In addition, there is a risk that the fees and costs applicable to the Fund could change, the Responsible Entity or other parties could change and the Fund could terminate.

9.2.13 Index risk

There is a risk that the Reference Index ceases to be available for use by the Fund, resulting in the Fund not being able to achieve its stated investment objective. If this occurs, VanEck will seek to track an alternative index that provides a substantially similar exposure as that of the Reference Index. In the unlikely event that an alternative index cannot be secured, there is a risk that the Fund could be terminated. For more information see sections 7.1 and 9.2.5.

9.2.14 Operational risk

The Fund is exposed to operational risk arising from a number of factors, including, but not limited to, human error, processing and communication errors, errors of the Fund's service providers, counterparties or other third parties, failed or inadequate processes and technology or system failures. VanEck seeks to reduce these operational risks through controls and procedures. However, these measures do not address every possible risk and may be inadequate for those risks that they are intended to address.

9.2.15 Force majeure

This is the risk that circumstances beyond our reasonable control may impact on the operation, administration and performance of the Fund. For example: strikes, industrial disputes, failure of a securities exchange, fires or other disaster, war, civil disturbance, terrorist acts, governmental pre-emption in connection with an emergency of state and epidemics.

9.2.16 Regulatory and tax risk

The Fund, the investments of the Fund and the tax consequences for Unitholders investing in the Fund, may be affected by tax changes or by changes to legislation or government policy in Australia and in other countries where the company whose securities the Fund invests in is regulated, operates or is invested.

These changes are monitored by VanEck and action is taken, where possible and appropriate, to facilitate the achievement of the Fund's investment objectives.

Investors should consult their own professional independent tax advisers before making an investment decision. Further information in relation to tax is set out in section 13.

9.2.17 Settlement risk

The processes of issuing and redeeming ETF Units associated with creations and redemptions are subject to the normal settlement procedures through CHESS. The Fund is exposed to some risk if an Authorised Participant fails to comply with its settlement obligations. This risk is partly mitigated by the fact that Authorised Participants are generally subject to CHESS rules and ASX fail fees.

9.2.18 Counterparty risk

This is the risk that the Funds' trading counterparties become insolvent or cannot otherwise meet their obligations to the Fund. The Fund may be exposed to counterparty risk through the use of futures. For more information see sections 7.2.2 and 9.2.18.

10 Fees and other costs

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100 000 to \$80 000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

Fees and other costs

This section shows fees and other costs that you may be charged.

These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the Fund as a whole.

Taxation information in relation to the Fund is set out in section 13.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

10.1 Fees and costs for ASX Investors

VanEck Vectors Morningstar Australian Moat Income ETF		
Type of fee or cost ¹	Amount	How and when paid
Fees when your money moves in or out of the Fund		
Establishment fee:		
The fee to open your investment	Nil	Not applicable
Contribution fee:		
The fee on each amount contributed to your investment	Nil	Not applicable
Withdrawal fee²:		
The fee on each amount you take out of your investment	Nil ²	Not applicable
Exit fee:		
The fee to close your investment	Nil	Not applicable
Management costs³		
The fees and costs for managing your investment		The management fee is calculated and accrued daily on the Fund Net Asset Value and reflected in the Unit Price. Payable from the assets of the Fund on or about the first Business Day of the following month. The management fee may be negotiated by wholesale clients.
Management fee	0.35% p.a.	
Indirect costs	<u>Nil</u>	
Total management costs	<u>0.35% p.a.</u>	
Service fees		
Switching fee:		
The fee for changing investment options	Nil	Not applicable

- 1 All fees and costs are inclusive of goods and services tax (GST) and net of any reduced input tax credits (RITC). A worked dollar example is shown below. Other fees and costs may apply. See section 10.3 for more information.
- 2 Except in limited circumstances ASX Investors are not eligible to redeem ETF Units with VanEck directly. See section 14.2.11 for more information.
- 3 See section 10.3 'Additional explanation of fees and costs' for more information.

Example of annual fees and costs for ASX Investors

This table gives an example of how the fees and costs for the Fund can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

Example: VanEck Vectors Morningstar Australian Moat Income 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.
PLUS Management costs	0.35% p.a. ¹	And , for every \$50,000 you have in the Fund you will be charged \$175 each year.
EQUALS 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 from: \$175 to \$192.50 ^{1,2} What it costs you will depend on the fees you negotiate.

- 1 The management fee may be negotiated by wholesale clients. See section 10.3.3 for more information.
- 2 This example assumes that the investment amount of \$50,000 does not rise or fall in value and remains invested for a full year. The maximum fee assumes the additional investment amount of \$5,000 was invested on the first day of the year and remains invested for the full year.

10.2 Fees and costs for Authorised Participants

Type of fee or cost ¹	Amount	How and when paid
Fees when your money moves in or out of the Fund		
Establishment fee: The fee to open your investment	Nil	Not applicable
Contribution fee: The fee on each amount contributed to your investment	\$500	Payable only by Authorised Participants per creation at the time of application for the creation of ETF Units by a Standard Basket Transaction. The amount of these costs may be negotiated.
Withdrawal fee^{2, 3}: The fee on each amount you take out of your investment	\$500	Payable only by Authorised Participants per redemption at the time of application for the redemption of ETF Units by a Standard Basket Transaction. The amount of these costs may be negotiated.
Exit fee: The fee to close your investment	Nil	Not applicable
Management costs³		
The fees and costs for managing your investment: Management fee Indirect costs Total management costs	0.35% p.a. Nil <u>0.35% p.a.</u>	The management fee is calculated and accrued daily on the Fund Net Asset Value and reflected in the Unit Price. Payable from the assets of the Fund on or about the first Business Day of the following month. The management fee may be negotiated by wholesale clients.
Service fees		
Investment switching fee: The fee for changing investment options	Nil	Not applicable

- 1 All fees and costs are inclusive of GST and net of any RITC. Other fees and costs may apply. See section 10.3 'Additional explanation of fees and costs' for more information.
- 2 Additional transactional costs will apply to Non-Standard Transactions as agreed with us from time to time. See section 10.3.2 for more information.
- 3 See section 10.3 'Additional explanation of fees and costs' for more information.

10.3 Additional explanation of fees and costs

Unitholders are charged a management fee which is capped in respect of normal recoverable expenses. Additional transactional and operational costs which are uncapped also apply. Other uncapped Broker fees and abnormal expenses may also apply.

10.3.1 Management costs

Management costs represent the ongoing fees, costs and expenses associated with management and administration of the Fund.

The fees and other costs of managing and operating the Fund stated in this PDS include indirect costs paid from the Fund's assets that we know or reasonably estimate will reduce the Fund's investment returns.

The management fee stated in 10.1 and 10.2 is charged to Unitholders as an 'all in' fee for normal recoverable expenses. It does not include transactional and operational costs (10.3.2), Broker fees (10.3.4) or abnormal expenses (10.3.5). VanEck pays the ongoing recoverable expenses associated with the management and administration of the Fund out of the

management fee. Any shortfall is paid by VanEck out of its own resources. Any excess remaining after payment of recoverable expenses is retained by VanEck.

The normal recoverable expenses paid by VanEck from the Fund's management fee include but are not limited to:

- o Custodian and Fund Administrator fees and charges including the costs of processing dividend payments;
- o Market Maker fees;
- o accounting and audit fees;
- o license fees payable to the Index Provider for the use of the Reference Index;
- o Registrar fees and expenses; and
- o other expenses recoverable under the Fund's Constitution.

10.3.2 Transactional and operational costs

Transactional and operational costs are not included in the management costs in 10.1 and 10.2 and are an additional cost to Unitholders. These costs are uncapped.

Transactional and operational costs are incurred in relation to trading in the portfolios and associated operational activities required by the

Fund. They include but are not limited to:

- o brokerage and settlement charges; and
- o borrowing costs and interest expense.

Costs on creations and redemptions

VanEck uses its best efforts to recover the transactional and operational costs associated with creations and redemptions of ETF Units by Authorised Participants from the APs.

Any shortfall is an additional indirect cost to Unitholders. These costs are paid out of the assets of the Fund and reflected in the Unit Price as and when they arise. We expect over a 12 month period any shortfall will be zero or not material for the reasons set out below.

Transactional and operational costs are not incurred by the Fund on Standard Basket Transactions. For Non-Standard Transactions, transactional and operational costs incurred by the Fund in relation to creations and redemptions are recovered from the AP by:

- o a buy/sell spread covering an estimate of the costs included with the transaction, which we notify to APs electronically from time to time. The actual costs may differ from our estimate. Any shortfall is borne by the Fund and any excess is retained by the Fund. We expect these amounts to net off to zero over a 12 month period; or
- o an invoice for the actual costs incurred equal to the difference between: the price at which the Fund purchases (on a creation) or sells (on a redemption) relevant securities; and the value of those securities used in the relevant Unit Price; plus any other costs incurred by the Fund in connection with the transaction.

Other transactional and operational costs

Other transactional and operational costs are incurred in association with trading activity in the Fund's portfolio with the aim of achieving its investment objective. These are an additional cost to all Unitholders and will be paid out of the assets of the Fund and reflected in the Fund's Unit Price as and when they arise.

As at the date of this PDS the Fund is new and has not commenced trading so no transactional and operational costs history is available. Disclosure of updated information in regards to transaction and operational costs will be provided at www.vaneck.com.au/dvdy in accordance with regulatory requirements.

10.3.3 Fees and costs may be negotiated by wholesale clients and APs

Wholesale clients (as defined under the Corporations Act) and APs may be able to negotiate the fees and costs set out in sections 10.1 and 10.2 respectively by contacting VanEck. See the Corporate directory at the front of this PDS for contact details. Any reduction of the fees and costs that may be agreed from time to time will be at VanEck's discretion and expense.

10.3.4 Broker fees

ASX Investors should obtain advice from a financial adviser before investing in the Fund to consider their individual investment objectives, financial situation and needs. You will incur fees for any advice you receive. You should discuss these fees with your financial adviser prior to obtaining their advice.

ASX Investors will also incur customary brokerage fees when buying and selling ETF Units on ASX. You should discuss these fees with your Broker prior to investing. Brokerage is also incurred by all investors as part of the ongoing transactional and operational costs of the Fund. See section 10.3.2.

10.3.5 Abnormal expenses

Abnormal expenses are management costs not generally incurred in the day-to-day operations of the Fund and include things such as the costs of calling and holding Unitholder meetings or legal costs incurred in bringing or defending legal proceedings. Abnormal expenses are not included in the management fee caps set out in sections 10.1 and 10.2 and may be recovered from the assets of the Fund and accounted for in the Unit Price of the Fund as and when they arise.

10.3.6 Notification of changes to fees

We may vary fees or introduce new fees without investor consent up to the maximums described in the Fund Constitution. Under the Constitution we are entitled to charge the following relevant maximum fees:

- o Management fee: 3% p.a. of the Fund's NAV;
- o Application and Redemption fee (contribution and withdrawal fees): Up to \$10,000 per creation or redemption.

Currently we pay all costs and expenses of the Fund other than transactional and operational costs out of the management fee set out in sections 10.1 and 10.2 and only retain any excess.

We will give 30 days' notice of any changes to the way fees and costs are charged that result in an increase in the management fee, via a notice on our website at www.vaneck.com.au and the ASX Market Announcements Platform.

10.3.7 Related party payments

We may pay fees to related parties and associates of VanEck on arm's length commercial terms for providing services to the Fund. We may engage the services of related parties and associates at our discretion. These fees would be paid by us out of the Fund's management fee.

10.3.8 Commissions and other benefits received

We, our related parties and associates, may receive commissions and other benefits (e.g. research) from brokers effecting trades for the Fund. These benefits may flow to the Fund and to other funds managed by us or our related parties and associates. We trade only with brokers who will provide best execution, regardless of whether these trades are placed with brokers related to us or not.

11 Transacting with VanEck

IMPORTANT NOTICE

This section provides a summary of the creation and redemption process that applies to transactions between the Fund and Authorised Participants only. These procedures do not apply to ASX Investors and are provided for information purposes only and may change without notice to ASX Investors. ASX Investors may trade ETF Units on ASX via a Broker in the same way they trade listed shares.

11.1 Prior to transacting

Creation and redemption procedures will be agreed between VanEck and Authorised Participants from time to time and contained in an AP Agreement and related AP Procedures. Authorised Participants must complete an AP Agreement with VanEck prior to transacting directly with us. Please contact VanEck Capital Markets for more information on +61 2 8038 3317.

11.2 Applications by Authorised Participants

Unless we agree otherwise, applications for creations and redemptions of ETF Units may only be made by Authorised Participants by delivering a completed application to us by 4pm on an ASX Trading Day. We may accept applications in a different form, or reject an application, at our discretion. We may, in our sole discretion and without giving any reason, accept or reject all or part of an application for a creation or redemption.

11.3 Standard Basket Transactions

Applications for creations or redemptions of ETF Units will generally only be made by way of Standard Basket Transactions. A Standard Basket Transaction is an in specie transfer of the Standard Basket plus or minus any balancing cash payment, in exchange for ETF Units. A Standard Basket for the Fund may consist of securities in the Reference Index and any other securities determined by VanEck as necessary to achieve the Fund's investment objective. The Standard Basket is available on request.

11.4 Minimum transaction size for APs

Applications for creations and redemptions by Authorised Participants can only be made in multiples of Creation Units or Redemption Units respectively, unless we agree otherwise.

The number of ETF Units in a Creation Unit and Redemption Unit are set out in the table below. ASX Investors should check with their Broker for any minimum trade size on ASX.

Minimum transaction sizes for APs

Fund	One Creation Unit / Redemption Unit (ETF Units)
DVDY	100,000

11.5 Valuations and pricing

11.5.1 Creation and redemption prices

The prices at which Authorised Participants transact with VanEck for creations or redemptions is the NAV calculated at the next valuation time following an application, plus or minus fees and costs respectively. See sections 10.2 and 10.3.2.

11.5.2 Redemption amounts

The redemption amount paid to an Authorised Participant on the redemption of ETF Units may include an amount representing their entitlement to distributable income of the Fund.

11.6 Delay or suspension of creations and redemptions

We may suspend the processing of creations or redemptions in certain circumstances. This will generally occur:

- during a 'blackout period' – that is:
 - around the end of a dividend period when we are calculating and paying dividends; and
 - during the period we are rebalancing the portfolio to the Reference Index; or
- in circumstances, such as adverse market conditions, where we determine it is not possible to accurately calculate Unit Prices.

We may also suspend creations or redemptions in other circumstances. We will notify you of any suspension. We may also process applications for creations in instalments over a period of time and may also suspend processing of redemptions we have already accepted, for example, where we are unable to sell underlying securities due to circumstances outside our control, such as suspended trading in the market, or where the Fund becomes illiquid.

In circumstances where redemptions are delayed, suspended or being paid in instalments, the Unit Prices used for the redemption may be those applicable to the day the relevant instalment of the redemption is processed, rather than the time the application for redemption is received.

An application for a creation or redemption lodged but not processed before or during a period of suspension, will be taken to be lodged the day after the end of the relevant suspension period.

12 Dividends

12.1 Payment of dividends

You may earn income from the Fund paid in the form of dividends.

We will provide details in advance of any dividends to be paid by the Fund via the ASX Market Announcements Platform. We do not guarantee that dividends will be paid.

The amount of any dividend will vary between periods and in some cases we may decide not to pay a dividend.

To reduce any capital gains tax liability for ASX investors due to redemptions by Authorised Participants, the AP's redemption proceeds may include a dividend comprising the realised capital gains. This means ASX Investors will generally pay less capital gains tax than they would in a comparable unlisted managed fund.

12.2 Frequency of dividends

The Fund will generally pay dividends quarterly. We may pay more or fewer dividends at our discretion. Payments are usually made within 28 days after the end of the dividend period. Dividends will be paid as cash to your nominated bank account unless you elect to participate in the Dividend Reinvestment Plan.

If no DRP election is made, dividends will be paid into a nominated Australian bank account, or held pending receipt of Australian bank account details.

12.3 Dividend Reinvestment Plan

A DRP is available. If you elect to participate in the DRP the amounts of any dividends will be credited to you as additional ETF Units on the relevant payment date. You need to contact the Registrar and complete the relevant form to participate in the DRP. Contact details are in the *Corporate directory* at the front of this PDS.

Participation in the DRP is subject to the DRP Rules as determined by VanEck from time to time.

A copy of the DRP Rules is available at www.vaneck.com.au or free of charge from us or the Registrar on request.

Unitholders can only elect to participate fully in the DRP having all dividends reinvested in additional ETF Units. Partial DRP participation is not available.

If no DRP election is made, dividends will be paid into a nominated Australian bank account, or held pending receipt of Australian bank account details.

13 Tax

IMPORTANT NOTICE

The Australian tax commentary in this PDS is provided for general information only. This information is necessarily general in nature and does not take into account the specific circumstances of any person who may invest in the Fund. It should not be used as the basis upon which a decision is made to invest in the Fund.

Investing has tax implications that can be complex, that are particular to each investor's circumstances and that change over time. All investors should consult their own professional tax advisers before making an investment decision.

The taxation information in this PDS is prepared based on income tax law in force at the date of this PDS.

13.1 Taxation of Australian resident investors

You will be liable for tax on your share of the Fund's income, as determined at the end of each financial year.

The amount you will be required to include in your tax return will not be the same as the amount you have received as dividends. You will be provided with a tax statement, after 30 June each year, that will provide you with the necessary information.

The tax statement will include details of any credits you are able to claim in your tax return including any franking credits if the Fund invests in Australian shares and credits for any foreign income tax paid if the Fund invests outside of Australia.

You may also be liable for tax on any gains you make when you sell or redeem your ETF Units. These gains are not included on the tax statement.

13.2 Quoting your TFN or ABN

Unitholders will be asked to provide their tax file number ('**TFN**') or Australian Business Number ('**ABN**') or claim an exemption in relation to their investment in the Fund. There are strict guidelines that govern the use and storage of TFNs.

There is no obligation to provide a TFN or ABN. However, if no TFN or ABN is provided and no exemption is available, tax will be withheld from the Unitholder's dividends at the highest marginal rate and remitted to the Australian Taxation Office ('**ATO**').

These amounts will be credited to you when you lodge your tax return.

13.3 Taxation of Foreign Investors

If you are not a resident of Australia for income tax purposes, tax may be withheld from your dividends and remitted to the ATO.

You will be required to identify to the Registrar whether you are a resident or a non-resident for income tax purposes.

13.4 Reporting of investors' details

Investment in the Fund is subject to information collection and reporting, for the purposes of enforcing compliance with tax laws. Information is reported to the ATO who may share it with foreign governments. Specifically, there is a United States law known as 'FATCA' and a related intergovernmental agreement between Australia and the United States under which information is shared with the United States. In addition, Australia participates in the OECD's Common Reporting Standard reporting network.

14 Other information you need to know

14.1 VanEck's powers and duties as Responsible Entity

The powers and duties of the Responsible Entity are determined by the Constitution for the Fund, the Corporations Act and general trust law. The duties of VanEck in relation to the Fund under the Corporations Act include:

- o act honestly;
- o exercise the degree of care and diligence that a reasonable person would exercise if they were in VanEck's position;
- o act in the best interests of Unitholders and, if there is a conflict between their interests and VanEck's interests, give priority to Unitholders' interests;
- o ensure that property in the Fund is clearly identified as property of the Fund and held separately from property of VanEck, property of the Custodian and property of any other fund, except as permitted by the Corporations Act;
- o ensure that the assets in the Fund are valued at regular intervals;
- o ensure that payments out of the Fund's property are made in accordance with the Constitution and the Corporations Act; and
- o report to ASIC any significant breach of the Corporations Act in relation to the Fund which has had, or is likely to have, a materially adverse effect on the interests of Unitholders.

We will work with our external service providers to:

- o manage income and monitor the expenses of the Fund and arrange for payments to creditors of the Fund;
- o determine and if any, arrange payment of dividends in respect of the Fund and administer dividend and taxation statements and notifications;
- o process and administer creation and redemption transactions in relation to the Fund;
- o co-ordinate and manage communications with ASX in relation to the ongoing admission to trading status of the ETF Units on ASX and communicate with ASIC and other regulators as appropriate in relation to the Fund;
- o address and respond to investor and Unitholder enquiries, complaints and notification requirements;
- o co-ordinate Unitholder updates and reports, resolutions and Unitholder meetings and attend to issues in relation to the Constitutions as appropriate;
- o prepare, maintain and implement policies in respect of the operation of the Fund including a compliance plan, proxy voting policy and DRP Rules; and
- o market and promote the Fund, providing information and support as appropriate to Authorised Participants, Market Makers and Brokers.

14.2 The Constitution

VanEck's responsibilities and obligations and Unitholders' rights are governed primarily by the Constitution, the *Corporations Act* and this PDS. The terms and conditions of the Constitution are binding on each Unitholder and all persons claiming through them respectively, as if the Unitholder or person were a party to the Constitution.

Under the Constitution, VanEck has all the powers of a natural person, corporation, trustee or Responsible Entity in respect of the operation of the Fund. The Constitution gives VanEck the right to be paid fees and expenses from the Fund and governs matters such as the rights of Unitholders, conducting Unitholder meetings, the creation and redemption of ETF Units and unit pricing, as well as what happens when the Fund is terminated. We will provide potential investors and Unitholders with a paper copy of the Constitution on request.

Some of the more important provisions of the Constitution are outlined below:

14.2.1 Beneficial interest

An ETF Unit confers a beneficial interest in the assets of the Fund to the Unitholder but not an entitlement or interest in any particular part of the Fund or any particular asset.

14.2.2 Reimbursement of expenses

VanEck is indemnified and entitled to be reimbursed out of, or paid from, the assets of the Fund for all liabilities, losses and expenses incurred in relation to the proper performance of its duties as Responsible Entity of the Fund. VanEck has the power to appoint an agent, or otherwise engage a person, to do anything that it is authorised to do in connection with the Fund. For the purpose of determining whether VanEck has properly performed its duties as Responsible Entity, VanEck is not liable for any loss unless the loss is caused by our fraud, negligence or breach of trust without due care.

14.2.3 Retirement of VanEck as Responsible Entity

Generally, VanEck may retire as Responsible Entity of the Fund by calling a meeting of the Fund's Unitholders to enable them to vote on a resolution to choose a company to be the new Responsible Entity. VanEck may be removed from office by an extraordinary resolution (that is 50% of the total interests that can be voted) passed at a meeting of Unitholders, in accordance with the Corporations Act. VanEck may retire or be removed as Responsible Entity in certain other circumstances prescribed under the Corporations Act.

14.2.4 Limitation of liability of Unitholders

The rights and obligations of Unitholders are governed by the Constitution and this PDS, but are

also affected by the *Corporations Act*, exemptions and declarations issued by ASIC, and the general law relating to trusts. The Constitution states that Unitholders' liability is limited to the amount subscribed or agreed to be subscribed for ETF Units by the Unitholder. However, the courts are yet to determine the effectiveness of provisions of this kind.

14.2.5 Meeting of Unitholders

VanEck may convene a meeting of Unitholders at any time in accordance with the Constitution and *Corporations Act*. Examples of circumstances where meetings may be called include to approve certain amendments to the Constitution or (if required by law) to wind up the Fund.

Unitholders also have limited rights to call meetings and have the right to vote at any Unitholder meetings in accordance with the Constitution and *Corporations Act*. Except where the Constitution or *Corporations Act* provides otherwise, a resolution of Unitholders must be passed by Unitholders who hold ETF Units exceeding 50% in value of the total value of all ETF Units held by Unitholders who vote on the resolution. A resolution passed at a meeting of Unitholders held in accordance with the Constitution binds all Unitholders.

14.2.6 Limitation of liability and indemnity of VanEck

In general, VanEck may act in good faith on the opinion of, advice of and information obtained from, advisers and experts. VanEck is indemnified out of the assets of the Fund against any expenses, loss, costs, damages and liabilities that may be incurred in properly performing any of its duties or prosecuting or defending any action or suit in connection with the Fund, other than if it arises out of its fraud, breach of trust or negligence.

Subject always to any liability which the *Corporations Act* might impose on VanEck, so long as it acts without fraud, negligence or breach of trust, it is not liable in equity, contract, tort or otherwise to Unitholders for any loss suffered in any way relating to the Fund. VanEck's liability to any person in respect of the Fund is limited to our actual indemnification from the assets of the Fund for that liability.

14.2.7 Borrowings

Under the Constitution, VanEck has the power to enter into borrowing arrangements on behalf of the Fund and grant security over the assets in the Fund in favour of a lender. This may involve delivering some of the securities in the portfolio to the lender as collateral for repayment of the loan in accordance with usual commercial borrowing arrangements. The costs of any borrowing are borne by the Fund. See 10.3.2.

14.2.8 Amendments to the Constitution

VanEck may amend the Constitution from time to time, subject to the provisions of the Constitution and the *Corporations Act*. Generally, VanEck can only amend the Constitution where we reasonably

consider that the change will not adversely affect the rights of Unitholders. Otherwise the Constitution can only be amended if approved at a meeting of Unitholders by special resolution.

14.2.9 Termination of the Fund

VanEck may wind up the Fund at any time in accordance with its Constitution, the *Corporations Act* and general trust law. Following winding up, the net proceeds will be distributed to Unitholders.

14.2.10 Compulsory redemption of ETF Units

In certain circumstances under the Constitution, VanEck may compulsorily redeem some or all of the ETF Units issued to a Unitholder, including where we believe ETF Units are held in breach of the Constitution or an applicable law or regulation, or the holding will otherwise adversely affect the Fund in any material way. We are required under the Constitution to provide a Unitholder with 60 days' notice of a compulsory redemption of some or all of their Units (except in circumstances where the Unitholder is not entitled to hold Units under an applicable law, in which case we will provide 3 days' notice).

14.2.11 ASX Investor redemptions

ASX Investors will normally sell their ETF Units by trading on ASX and will not have a right to redeem their ETF Units with the Fund directly. However, the Constitution of the Fund provides that if ETF Units are suspended from trading on ASX for more than 5 consecutive ASX Trading Days, ASX Investors will have the right to directly redeem their ETF Units for cash unless:

- o the Fund has been terminated;
- o the Fund is not a liquid scheme; or
- o VanEck has suspended the redemption of ETF Units on the basis of a determination that it is reasonable and in the best interests of Unitholders to do so.

14.3 Compliance plan

VanEck has lodged a compliance plan for the Fund with ASIC, which sets out the key measures that we take to ensure that we comply with the *Corporations Act* and the Constitution of the Fund in relation to the operation of the Fund. Each year VanEck's compliance with the compliance plan is independently audited, as required by the *Corporations Act* and the auditor must not be the auditor of the scheme's financial statements but may be from the same firm. The auditor's report is lodged with ASIC.

14.4 Compliance committee

VanEck has a compliance committee which comprises at least three members, of which the majority are external members. The compliance committee monitors VanEck's compliance with the Fund's compliance plan, assesses the adequacy of the compliance plan and reports breaches of the Constitution and the *Corporations Act* to the directors of VanEck, and in some circumstances to ASIC.

14.5 Settlement via CHESSE

All transactions by ASX Investors will be settled via CHESSE in accordance with the ASX Rules. Settlement generally occurs on the second ASX Trading Day after the effective trade date (T+2) in line with the relevant ASX Rules.

14.6 Cooling-off

There are no cooling-off rights applicable to the offer in this PDS or to trading of ETF Units on ASX.

14.7 'Liquid' for the purposes of the Corporations Act

The redemption of ETF Units assumes that the Fund remains 'liquid' – meaning that its assets can be readily sold. Under the *Corporations Act*, a Fund is liquid if 80% of the value of its assets comprises liquid assets. If a Fund is 'liquid', the Constitution requires that we must pay redemption proceeds within 21 days of the date of redemption of the relevant ETF Units (or the deemed date of such redemption).

We expect that the Fund will remain liquid. If the Fund is illiquid, a redemption request will be dealt with in accordance with the Constitution and the *Corporations Act*.

14.8 Market Maker

Under the AQUA Rules, VanEck is required to facilitate an orderly and liquid market in the Fund. To assist with this we may appoint one or more Market Makers to act as a buyer and seller to the secondary market (ASX). A Market Maker may create and redeem ETF Units and may also provide buy and sell prices for ETF Units on ASX, while potentially also hedging their underlying positions.

14.9 Related party contracts

At the date of this PDS VanEck has arrangements in place with VanEck Australia Pty Ltd, a related party from the VanEck group of companies, for business administration, sales and marketing and support services. Where related parties receive a financial benefit, those payments are made out of the management costs and are not an additional cost incurred by Unitholders. Such arrangements are entered into on arm's length commercial terms after considering the requirements of VanEck's conflicts of interest policy.

14.10 Index license

VanEck has obtained a license to use the Reference Index from Morningstar. Please refer to section 8 for more details about the Reference Index and the Index Provider. Morningstar has given and as at the date of this PDS has not withdrawn their consent to the statements in section 8 of this PDS.

14.11 Custodian and Fund Administrator

VanEck has appointed State Street Australia Limited ('**State Street**') as the Custodian and Fund Administrator of the Fund.

State Street provides custodial services, including the holding of all assets on behalf of the Fund and

certain fund administration services, such as fund accounting and unit pricing, for the Fund. State Street has not been involved in any way in the preparation of this PDS and are named only for information purposes.

14.12 Registrar

VanEck has appointed Link Market Services Limited ('**Link**') as Registrar to maintain Unitholder records such as the quantity of ETF Units held, TFN and details of participation in the DRP. The Registrar can be contacted as follows:

Locked Bag A14
Sydney South, NSW, 1235
Telephone: 1300 68 38 37

Link has had no involvement in the preparation of any part of this PDS other than being named as the Registrar for the Fund. Link has not authorised or caused the issue of and expressly disclaims and takes no responsibility for any part of this PDS.

14.13 Annual reports

A copy of the annual financial report, the annual directors' report and the auditor's report on the annual financial report for the Fund will be made available at www.vaneck.com.au at the same time they are filed with ASIC each year.

14.14 iNAV

The iNAV is an estimate only of the then current Unit Price of the Fund calculated based on the Fund's portfolio as at the open of trading that day and adjusted throughout the day, using market data, based on quotes and last sale prices. At the date of this PDS we have arranged for ASX to calculate and distribute the iNAV for the Fund to third party Broker websites and other financial information service providers. We may change providers at our discretion. The iNAV code for the Fund is set out on the front cover of this PDS. An iNAV is not, and should not be relied on as being the value of a Unit or the price at which ETF Units may be applied for or redeemed, or bought or sold on ASX. An iNAV should be considered as indicative only and investors should consider other available market information when making any investment decision. Only Authorised Participants can trade based on the Unit Price. ASX generally updates and disseminates the iNAVs every 30 seconds. We will take reasonable steps to ensure that the iNAVs are available and updated no less than every 15 minutes, however, no assurance is given that the iNAVs will be published continuously, or will be up to date or free from error and neither VanEck nor any other party involved in the operation of the Fund accepts any liability to any person who relies on an iNAV. For more information on the risks of relying on the iNAV, see section 9.2.10.

14.15 Interest on cash held in the Fund

In circumstances where the Fund holds cash, any interest earned on those amounts will be retained for the benefit of all Unitholders in the Fund. For example, the Fund may hold cash pending the

purchase of securities for a cash-only application or payment of cash-only redemption proceeds.

Cash may also be held by the Registrar on behalf of the Fund immediately pending the payment of a dividend. Any interest earned on such cash will be retained by the Registrar.

14.16 Investor identification and verification

VanEck and the Registrar have investor identification and verification procedures (ID Procedures) in place to manage risks associated with fraud and unauthorised transactions. In addition, under *Anti-Money Laundering and Counter Terrorism Financing (AML/CTF)* legislation, we are required to establish and enforce appropriate risk control programs with accompanying ID Procedures and transaction monitoring procedures.

Our ID Procedures require Authorised Participants to provide satisfactory proof of identity which must be verified before an application for a creation or redemption of ETF Units can be accepted. The ID Procedures may also require us, from time to time, to verify that information or request additional identification or related information from the Authorised Participant, before we can process a requested transaction on their behalf.

Failure to provide all the information requested may cause an application to be delayed or rejected. We do not accept any liability for any loss incurred (as a result of a delay in accepting or processing an application or otherwise), arising from undertaking our ID Procedures.

14.17 Complaints

VanEck has arrangements in place for handling complaints. If you have a complaint regarding the Fund or our services, please contact us either by phone or in writing. Our procedures ensure that we deal with complaints as soon as possible. We will acknowledge any complaint made in writing immediately on receipt and provide a written response within 45 days. Complaints should be directed to:

Complaints Officer
 VanEck Investments Limited
 Aurora Place, Level 4
 88 Phillip Street, Sydney NSW 2000
 Telephone: (02) 8038 3300
 Email: complaints@vaneck.com.au

If we are unable to resolve the complaint or you are dissatisfied with the outcome you can contact an independent external dispute resolution service to assist in resolving the complaint. The Australian Financial Complaints Authority ('AFCA' is an independent body approved by ASIC to consider complaints.

In order for a complaint to be considered by AFCA, the claim must not exceed \$1,000,000. The maximum amount per claim that may be awarded by an AFCA Decision Maker for complaints relating to VanEck's funds (not including awards of costs or interest) is \$500,000.

AFCA can be contacted as follows:

Online: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678 (free call)

Mail: GPO Box 3 Melbourne VIC 3001

14.18 Privacy notice

This privacy notice informs Authorised Participants and ASX Investors how your personal information may be collected, stored, used and disclosed if you invest in the Fund.

VanEck and the Registrar may collect, hold and use your personal information in order to process applications, administer your investment, comply with relevant laws and provide you with services related to the investment and with information about other products and services offered by or through VanEck, in accordance with VanEck's Privacy Policy.

If you do not provide the personal information required, your investment may not be processed.

For example your information may be used to:

- o ensure compliance with all applicable regulatory or legal requirements. This includes the requirements of ASIC, ATO, AUSTRAC, ASX and other regulatory bodies or relevant exchanges including requirements under the Corporations Act and superannuation law; and
- o ensure compliance with the Anti-Money Laundering and Counter-Terrorism Financing Act.
- o VanEck may be required to disclose some or all of your personal information, for certain purposes, to: our service providers, related bodies corporate or other third parties for the purpose of account maintenance and administration and the production and mailing of statements, such as share registries, custodians, accountants and auditors of the Fund and certain software providers related to the operational management and settlement of the ETF Units and fraud monitoring.

We may also disclose your personal information to other external service providers (including companies conducting market research) who assist us in:

- o marketing products and services to you; and
- o improving customer service.

This is to keep you informed of VanEck products and services. If you acquire ETF Units, you agree to be contacted for these purposes.

The third parties to whom we may disclose your personal information may be located overseas, including in the United States.

If you do not wish to receive marketing communications from us or our associates, including by email, please contact us at privacy@vaneck.com.au.

VanEck's Privacy Policy contains information about how you may complain about a breach of your privacy and how we will deal with such a complaint.

You can obtain a full copy of VanEck's Privacy Policy at www.vaneck.com.au or we will send you a paper copy free of charge on request.

To access, update or seek correction of your personal information, please speak to your Broker or contact the Registrar directly on 1300 68 38 37 (toll free), or in writing addressed to:

Link Market Services Limited
Locked Bag A14,
Sydney South, NSW, 1235.

14.19 ASIC Relief

14.19.1 Unequal treatment in provision of information to Authorised Participants

ASIC has granted Class Order relief under section 601QA of the Corporations Act from the equal treatment requirement in section 601FC(1)(d), to the extent necessary to allow the Responsible Entity to not treat Unitholders equally to the extent that it restricts the Responsible Entity from providing information to Authorised Participants before other members about:

- (a) the Reference Index; and
- (b) scheme property specifying:
 - (i) the number and class of securities and any other property required to acquire an ETF Unit by Authorised Participants on the ASX Trading Day that first ends after the information is provided; and
 - (ii) the number and class of securities and any other property transferred on withdrawal from an ETF Unit by Authorised Participants on the ASX Trading Day that first ends after the information is provided.

The ASIC Class Order relief applies while the ETF Units are able to be traded on ASX. The Responsible Entity will provide information about the Reference Index, and the number and identity of securities in the Fund, to Authorised Participants before other members. This information is publicly disclosed to ASX and at www.vaneck.com.au prior to the commencement of the ASX Trading Day after the day on which such disclosure is made to Authorised Participants. VanEck will take reasonable steps to ensure that the iNAV is available and updated no less than every 15 minutes during each ASX Trading Day.

14.19.2 Exemption – Unequal treatment in withdrawal from a Fund

ASIC has granted Class Order relief under section 601QA of the Corporations Act from the equal treatment requirement in section 601FC(1)(d), to the extent necessary to allow the Responsible Entity to not treat Unitholders equally to the extent that it restricts withdrawals from the Fund to Authorised Participants that are tax resident in Australia. For the purposes of this relief, except in exceptional circumstances, only Australian tax resident Authorised Participants may withdraw from the Fund, but other Unitholders may sell their ETF Units on the ASX. However, if ETF Units are suspended from trading on ASX for more than 5 consecutive ASX Trading Days, Unitholders will have a right to withdraw from the Fund and

receive payment for their ETF Units in money within a reasonable time of request unless:

- o the Fund is being wound-up;
- o the Fund is not liquid as defined in subsection 601KA(4) of the Corporations Act; or
- o the Responsible Entity has suspended the redemption of ETF Units in accordance with the Constitution.

14.19.3 Declaration – relevant interest in ETF assets

ASIC has granted Class Order relief under section 655A(1) and section 673(1) of the Corporations Act by modifying section 609 of the Corporations Act to ensure that the ability to lodge a redemption request under the redemption facility offered by an ETF does not by itself give Authorised Participants a relevant interest in the securities held by the Fund for the purposes of Chapter 6 of the Corporations Act. The instrument clarifies that those relevant interests do not need to be taken into account by investors in relation to their obligations under the takeover regime in the Corporations Act. The ASIC relief applies while the ETF Units are able to be traded on ASX. The relief will not apply once the Authorised Participant has made a redemption application in respect of the ETF Units.

This relief will apply to the Fund which, at the date of this PDS, employs an investment strategy, the implementation of which would not be likely to lead to the scheme property of the Fund including securities in a class of securities that (a) would represent more than 10% by value of scheme property; and (b) were, or would result in the Responsible Entity having a relevant interest in, securities in a listed company, an unlisted company with more than 50 members, a listed body that is formed or incorporated in Australia or a listed scheme.

For the purposes of this relief, we confirm that the investment strategy for the Fund is to make investments that are expected to result in the value of an ETF Unit changing in proportion to the value of the Reference Index, ignoring the effect of fees and other costs (including taxes) in relation to the Fund.

14.19.4 Declaration – Substantial Interest and Beneficial Tracing

ASIC has granted Class Order relief under section 673(1) of the Corporations Act by notionally inserting section 671AA and modifying sections 671B and 672B of the Corporations Act in relation to the substantial holding notice regime in the Corporations Act for all AQUA products. Under the relief, an Authorised Participant who holds ETF Units will be taken to have a relevant interest in the underlying securities of the Fund as if the Authorised Participant had made a withdrawal request in relation to all their ETF Units, with the number and classes of underlying securities transferred to the Authorised Participant being those most recently disclosed by the Responsible Entity to the Authorised Participant in relation to a withdrawal request for an ETF Unit. This relief will not

apply to the extent an Authorised Participant actually makes a withdrawal request in respect of ETF Units. The general effect of this relief, provided that certain conditions are met, is that Authorised Participants who hold ETF Units can calculate their relevant interests in the underlying securities of the Fund for the purposes of Chapter 6C of the *Corporations Act* on the basis of the portfolio of securities relevant to a redemption which is published daily at www.vaneck.com.au.

Authorised Participants will need to carefully consider their notification and disclosure requirements under the *Corporations Act* in respect of the Fund pursuant to ASIC's Class Order.

14.19.5 Periodic Statements

ASIC has granted relief under sections 1020F(1)(a) and 1020F(1)(c) of the *Corporations Act* so that where the Responsible Entity is not aware of the price at which ETF Units are transferred, periodic statements are not required to disclose amounts paid in relation to a transfer of ETF Units or the return on investment during the reporting period (provided that the return on investment is not able to be calculated by the Responsible Entity and the periodic statement explains why this information is not included and describes how it can be obtained or calculated). The periodic statement

will itemise transactions by disclosing the date of transfer and whether the Unitholder acquired or disposed of ETF Units and the number of ETF Units transferred, and will explain why prices of ETF Units for transfers and the total dollar value of transfers have not been included. The periodic statement will also include performance information of the Fund relative to the investment objectives over one and five year periods. The ASIC Class Order relief applies while the relevant ETF Units are able to be traded on ASX.

14.19.6 Ongoing disclosure relief

ASIC has granted Class Order relief under section 1020F(1) of the *Corporations Act* from the ongoing disclosure requirements in section 1017B on condition that the Responsible Entity complies with the continuous disclosure requirements in section 675 of the *Corporations Act* as if the Fund were an unlisted disclosing entity. The Responsible Entity will comply with the continuous disclosure requirements of the *Corporations Act* as if the Fund were an unlisted disclosing entity.

15 Glossary of terms

Term	Meaning
AP Procedures	The procedures for transacting with VanEck in relation to the Fund as agreed in writing with Authorised Participants from time to time.
AQUA Rules	Schedule 10A of the ASX Operating Rules and related rules and procedures, as amended, varied or waived from time to time.
ASIC	The Australian Securities and Investments Commission
ASX	The Australian Securities Exchange operated by ASX Limited.
ASX Investors	Unitholders who acquire ETF Units on ASX.
ASX Rules	The Operating Rules, Settlement Operating Rules and any other applicable rules and procedures as issued, amended, varied or waived by ASX Limited from time to time.
ASX Trading Day	A day that ASX is open for trading.
ATO	The Australian Taxation Office
AUSTRAC	The Australian Transaction Reports and Analysis Centre
Authorised Participant or 'AP'	Unless otherwise agreed with the RE, a person who is a 'Trading Participant' as that term is defined in the ASX Operating Rules or who has engaged a Trading Participant to act on their behalf to acquire and dispose of interests in the Fund and who has entered into an agreement with the RE.
Broker	Online broker, stockbroker or financial adviser
Business Day	Means a day that is not a Saturday, Sunday or public holiday in NSW, Australia, or such other day or days determined by VanEck.
CHESS	The Clearing House Electronic Sub-register System owned and operated by ASX Settlements Pty Limited, a subsidiary of ASX Limited.
Constitution	The trust deed registered with ASIC establishing the managed investment scheme underlying the Fund, as varied or replaced from time to time.
Corporations Act	The <i>Corporations Act 2001 (Cth)</i>
Creation Unit	The minimum number of ETF Units that must be applied for in the Fund by an Authorised Participant when applying to create ETF Units as specified in section 11.4.
Custodian	State Street Australia Limited ABN 21 002 965 200
Dividend Reinvestment Plan or 'DRP'	The plan available to Unitholders to have any dividends by the Fund reinvested in additional ETF Units to be credited to their account, instead of receiving a cash payment to their nominated Australian bank account.
DRP Rules	The rules relating to a Unitholder's participation in the DRP a copy of which are available at www.vaneck.com.au .
DVDY	The ASX code for the Fund
ETF	Abbreviation for 'Exchange Traded Fund'.
ETF Units	Interests issued by the Responsible Entity in the Fund pursuant to this PDS, the Fund's Constitution and the Corporations Act.
Exchange Traded Fund	An open-ended managed fund, units in which are traded on ASX under the AQUA Rules, which generally tracks the value of an underlying index.
Financial Institution	ADIs and insurance companies regulated by APRA or an equivalent foreign regulatory body.
Foreign Investor	A person who is not an Australian resident for income tax purposes.
Fund	The fund named on the front cover of this PDS.
Fund Administrator	State Street Australia Limited ABN 21 002 965 200
Fund Net Asset Value	The total value of all of the assets of the Fund minus the total value of all of the liabilities and provisions of the Fund.

Term	Meaning
iNAV	Indicative NAV of an ETF Unit disseminated by ASX at regular intervals throughout each ASX Trading Day. See sections 5.8, 9.2.10 and 14.14.
Index	The Reference Index
Index Provider	Morningstar Australasia Pty Ltd. See section 8.
Market Maker	An institution appointed by VanEck to assist it in maintaining liquidity of trading of the ETF Units on ASX. A Market Maker may also be an Authorised Participant.
Morningstar®	Morningstar Australasia Pty Ltd, the Index Provider for GOAT.
NAV	See Unit Price
Non-Standard Transaction	A creation or redemption by an AP other than a Standard Basket Transaction.
PDS	This product disclosure statement.
Redemption Unit	The minimum number of ETF Units that must be redeemed by an Authorised Participant in the event of a redemption as specified in section 11.4.
Reference Index	Morningstar® Australia Dividend Yield Focus Index™. See section 8.
Registrar	Link Market Services Limited ABN 54 083 214 537
Responsible Entity	The licensed entity authorised by ASIC to act as the responsible entity of the Fund with responsibility for operating the Fund, issuing ETF Units and this PDS. For the life of this PDS this is VanEck.
Standard Basket	The parcel of securities required for a Standard Basket Transaction as published on our website at www.vaneck.com.au on a daily basis comprising underlying securities in the Reference Index and any other securities determined by VanEck as necessary to achieve a Fund's investment objective.
Standard Basket Transaction	A creation/redemption for a whole number multiple of Creation Units/Redemption Units where the consideration is paid by way of in specie transfer of the Standard Basket of securities plus or minus a residual cash amount.
Unit Price or NAV	The Fund Net Asset Value divided by the number of ETF Units outstanding.
Unitholder	The person named as the holder of ETF Units in the Fund as recorded in the register maintained by the Registrar or as determined under the Corporations Act.
VanEck	VanEck Investments Limited, the Responsible Entity and AQUA product issuer.