

23 March 2020

## Supplementary Product Disclosure Statement No.1 to the Product Disclosure Statement dated 30 August 2019

### Incorporating:

ASX: CETF | VanEck Vectors® China CSI 300 ETF

ASX: GDV | VanEck Vectors® Gold Miners ETF

ASX: MOAT | VanEck Vectors® Morningstar® Wide Moat ETF

### Notice of Replacement PDS issued for CETF

This supplementary product disclosure statement ('SPDS') is issued by VanEck Investments Limited ACN 146 596 116 AFSL 416755 ('VanEck') in respect of the PDS dated 30 August 2019 ('PDS') in relation to the offer of ETF Units in VanEck Vectors China CSI 300 ETF ('CETF'). A copy of this SPDS has been lodged with ASIC and ASX. Neither ASIC nor ASX takes any responsibility for the contents of this SPDS. Capitalised terms in this SPDS have the same meaning as defined in the PDS, unless otherwise defined in this SPDS.

### Changes to CETF

#### Following the close of trade on 22 April 2020

1. The attached PDS will cease to apply to CETF and is to be read as if all references to and information related to "VanEck Vectors China CSI 300 ETF" and "CETF" are deleted from the PDS.
2. The fund will no longer act as a feeder fund and all holdings in the Underlying Fund will be sold.
3. The Reference Index will change from the CSI 300 Index to the **FTSE China A50 Index**.
4. The fund will be renamed **VanEck Vectors FTSE China A50 ETF**. It will retain the trading code 'CETF'.
5. The replacement PDS ('RPDS') issued 23 March 2020 will apply to CETF, a copy of which has been released via ASX under trading code 'CETF' and is available at [www.vaneck.com.au/cetf](http://www.vaneck.com.au/cetf).
6. The fund will be 100% invested directly into China A-shares comprising the FTSE China A50 Index.

### For more information

Go to [www.vaneck.com.au/cetf](http://www.vaneck.com.au/cetf)

Or contact the Registrar, Link Market Services Limited on 1300 68 38 37.

### IMPORTANT NOTICE ABOUT THIS SPDS

This SPDS contains general information only and is not personal financial advice. 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 professional financial and tax advisers) if the decision is appropriate for your personal financial situation, needs and objectives.



Access the opportunities.

## VanEck Vectors® ETFs

# Product Disclosure Statement

Dated: 30 August 2019

Incorporating the following Funds:

<b>ASX code</b>	<b>Fund name</b>	<b>ARSN</b>
CETF	VanEck Vectors China CSI 300 ETF	634 551 125
GDX	VanEck Vectors Gold Miners ETF	634 543 187
MOAT	VanEck Vectors Morningstar® Wide Moat ETF	634 551 714

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

# Corporate directory

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**Responsible Entity**

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Level 4, 88 Phillip Street  
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Website: [www.vaneck.com.au](http://www.vaneck.com.au)

**Registrar**

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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

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This product disclosure statement ('**PDS**') is issued by VanEck Investments Limited ABN 22 146 596 116 AFSL No 416755 as responsible entity of the funds named on the first page of this PDS (collectively '**the Funds**' or individually a '**Fund**').

Each Fund is a registered managed investment scheme. A class of units in each Fund ('**ETF Units**') is expected to be admitted to quotation and trading as an Exchange Traded Fund ('**ETF**') on the Australian Securities Exchange. 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 '**the Responsible Entity**', '**the RE**', '**we**' or '**our**' are a reference to VanEck Investments Limited in its capacity as responsible entity of the Funds. Capitalised terms (Like This) in this PDS are defined in the '**Glossary**' at the back of the PDS.

A copy of this PDS has been lodged with the Australian Securities and Investments Commission ('**ASIC**'), and will be lodged with the Registrar of Financial Service Providers, New Zealand ('**RFSPNZ**') and ASX. Neither ASIC, RFSPNZ nor ASX take any responsibility for the contents of this PDS. We have applied to ASX for Units in each Fund ('**ETF Units**') 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, when it was lodged with ASIC, subject to possible extension by ASIC for a further seven days.

## Authorised Participants

With the exception of CDI Holders described below, the offer of ETF Units in this PDS is only for Authorised Participants (or '**APs**') as defined in the Glossary. Only APs and CDI Holders may acquire ETF Units directly from VanEck.

## ASX Investors

All investors may purchase ETF Units on ASX, like purchasing shares in a listed company and may use this PDS for information purposes only. ASX Investors may buy and sell ETF Units on ASX through their online broker, stockbroker or financial adviser ('**Broker**') and are not required to submit an application under this PDS.

## CDI Holders in the Underlying Funds

CDI Holders in the Underlying Funds (**CDI Holders**) who have accepted an offer from the RE to exchange their CDIs for ETF Units in the corresponding Fund will be issued with ETF Units in exchange for their CDIs on a one-for-one basis on the date agreed with the RE after

commencement of trading of the ETF Units on ASX. See 13.2.1 for more information.

## Classes of units

The ETF Units referred to in this PDS are an ETF class of units in the Fund. As such it is only the ETF class of the Fund that is quoted on ASX. As at the date of this PDS, each Fund only has a single class of units, being the ETF class. Under a Fund's constitution ('**Constitution**'), the RE is permitted to establish different classes of units.

## Up to date information

All information in this PDS is current as at the date of this PDS. Unless otherwise stated, the RE sources its data from public or licensed market data. Information and the 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](http://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 or electronic copy of this PDS and any updated information will be provided free of charge on request by contacting us at 1300 68 38 37.

## General advice warning

This PDS contains general advice 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 a 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 financial adviser) if the decision is appropriate for your personal financial situation, needs and objectives.

An investment in a Fund is subject to various risks (see section 8), 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, VanEck Vectors ETF Trust or their related entities, directors or officers, gives any guarantee or assurance as to the performance of a Fund and Underlying Fund, or the payment of income or the repayment of capital invested.

## Foreign Investors

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

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®

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### 2.1 VanEck Investments Limited

VanEck Investments Limited is the Responsible Entity of the Funds and the issuer of this PDS and the ETF Units and is responsible for the management, operation and administration of the Funds in Australia.

For more information about The RE's powers and duties as a responsible entity see section 13.1.

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

### 2.2 Van Eck Associates Corporation

Van Eck Associates Corporation ('**US Adviser**') is a private company registered with the United States Securities and Exchange Commission ('**SEC**') as an investment adviser. The US Adviser serves as the investment adviser to the Underlying Funds under an investment management agreement. The US Adviser is paid a fee for its services.

### 2.3 VanEck Vectors ETF Trust

VanEck Vectors ETF Trust ('**Trust**') is the issuer of the Underlying Funds into which the Funds invest and which are listed on qualified exchanges in the US. The Trust is organised as a trust under the Delaware Statutory Trust Act and is subject to statutory trust law in the State of Delaware. It is registered with the SEC under the US Investment Company Act of 1940 (the 1940 Act) and regulated as an open-end management investment company. The Trust's activities and those of its service providers are overseen by a majority independent Board of Trustees. The Trust currently consists of over 60 separate investment portfolios (including the Underlying Funds) each of which is a regulated investment company under the 1940 Act.

### 2.4 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 2019 the VanEck group's family of ETPs totalled over \$62 billion in assets under management, making it one of the largest ETP families worldwide.

### 2.5 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 VanEck is recognised for being a pioneer in global markets and for drawing on its experience to offer innovative solutions.

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

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

As at 31 July 2019, VanEck group managed over \$73 billion in investor assets including its VanEck Vectors ETP business.

For more information on VanEck, visit [www.vaneck.com.au](http://www.vaneck.com.au).

### 3 Summary of the Funds

Subject	Summary		For more information
<b>Responsible Entity and issuer</b>	VanEck Investments Limited ABN 22 146 596 116 AFSL No 41 6755		Section 2
<b>Type of investment</b>	<p>Exchange-traded funds ('ETFs') offer investors the ability to acquire a diversified portfolio of securities covering an entire market segment in one trade on ASX.</p> <p>An ETF is an open-ended fund that aims to track the performance, before fees and other costs, of a financial market index. It does this by investing either directly or indirectly in a portfolio of securities that constitute the index.</p> <p>The issuer of the ETF makes shares in the ETF (called '<b>ETF Units</b>') available for trading on ASX (like shares in a company). As such, with a single investment in an ETF on ASX, investors can get easy and cost effective access to the portfolio of securities held by the ETF.</p>		Sections 5, 6
<b>Feeder fund investment structure</b>	<p>Each Fund offered in this PDS is domiciled in Australia and acts as a 'feeder fund' giving investors access to a fund that is domiciled in the United States ('<b>Underlying Fund</b>'). The Funds are regulated by ASIC and traded on ASX while the Underlying Funds are regulated by SEC and currently traded on NYSE.</p> <p>The Funds primarily hold shares in the Underlying Funds. The Underlying Funds in turn invest primarily in shares in companies from their Reference Index or such other securities as are permitted under their investment rules to achieve the investment objective.</p>		Section 7
<b>Fund overview</b>	<b>ASX code</b>	<b>Overview</b>	
	<b>CETF</b>	<p><b>VanEck Vectors China CSI 300 ETF</b></p> <p>The Fund gives investors exposure to the broad China economy via an investment in approximately 300 securities that comprise the CSI 300 Index. The CSI 300 Index is comprised of the largest and most liquid stocks in the Chinese A-share market. A-shares are issued by companies incorporated China and are traded in renminbi (RMB) on the Shenzhen or Shanghai Stock Exchanges.</p>	Section 7
	<b>GDX</b>	<p><b>VanEck Vectors Gold Miners ETF</b></p> <p>The Fund gives investors exposure to publicly traded companies from around the world that are primarily involved in the mining for gold and that constitute the NYSE® Arca Gold Miners Index®.</p>	Section 7
	<b>MOAT</b>	<p><b>VanEck Vectors Morningstar Wide Moat ETF</b></p> <p>The Fund gives investors exposure to a high conviction US strategy via companies that comprise the Morningstar® Wide Moat Focus Index™. The index comprises at least 40 'wide moat' companies based on Morningstar's assessment that they are the most attractively priced companies in the US with competitive advantages and in which they have very high confidence excess returns will remain for 10 years, with excess returns more likely than not to remain for at least 20 years.</p>	Section 7
<b>Investment objective</b>	Each Fund aims to provide investment returns before fees and other costs which track the performance of its Reference Index in Australian dollars.		Section 7
<b>Reference Index</b>	<b>CETF</b>	CSI 300® Index (' <b>CSI 300</b> ')	Section 7
	<b>GDX</b>	NYSE® Arca Gold Miners Index® (' <b>Gold Miners Index</b> ')	
	<b>MOAT</b>	Morningstar® Wide Moat Focus Index™ (' <b>Wide Moat Index</b> ')	

<b>Index Providers</b>	<b>CETF</b> <b>GDX</b> <b>MOAT</b>	China Securities Index Co., Ltd (' <b>CSI</b> ') ICE Data Indices, LLC (' <b>IDI</b> ') Morningstar, Inc. (' <b>Morningstar</b> ')	Section 7
<b>Investment strategy</b>	Each Fund employs a passive management strategy of investing in shares in its Underlying Fund. Each Underlying Fund employs a passive management strategy of investing predominantly in securities that constitute the respective Fund's Reference Index.		Section 7
<b>Underlying Fund</b>	<b>Fund</b>	<b>Underlying Fund</b>	<b>NYSE code</b>
	<b>CETF</b>	VanEck Vectors ChinaAMC CSI 300 ETF	PEK
	<b>GDX</b>	VanEck Vectors Gold Miners ETF	GDX
	<b>MOAT</b>	VanEck Vectors Morningstar Wide Moat ETF	MOAT
<b>Benefits</b>	<p>Each Fund provides investors with:</p> <ul style="list-style-type: none"> <li>o cost effective and easy access to a diversified portfolio of international shares via a single trade on ASX;</li> <li>o transparency of holdings, pricing and performance;</li> <li>o flexibility of intraday ASX trading capability; and</li> <li>o no foreign paperwork.</li> </ul> <p>Compared to unlisted actively managed funds, investors benefit from: trading via live prices on ASX; potentially lower costs; liquidity; transparency and intraday trading.</p>		Section 5
<b>Risks</b>	<p>An investment in the Funds is subject to various risks, including possible loss of income and capital invested. You should carefully consider the risks before deciding to invest. This is a summary of key risks only. You should carefully read section 8 for more details.</p> <p>Some of the risks that are applicable to all of the Funds include:</p> <ul style="list-style-type: none"> <li>o <b>Market risk:</b> an investment in a Fund involves risks associated with investing in the stock market, including general economic conditions and sudden and unpredictable drops in value;</li> <li>o <b>Index tracking error risk:</b> the risk that the performance of a Fund differs from the performance of its Reference Index (including due to fees and costs); and</li> <li>o <b>Concentration risk:</b> the risk a Fund's assets are concentrated in particular sector or markets, as represented by its Reference Index.</li> </ul> <p>In addition, investing in the Funds gives rise to further risks including risks associated with cross-border investing, such as:</p> <ul style="list-style-type: none"> <li>o <b>ASX trading time differences:</b> ETF Units are only able to be traded during ASX trading hours. Market factors could adversely impact the value of the Fund while ASX is closed for trading. This could result in substantial losses due to being unable to trade until ASX re-opens.</li> <li>o <b>Currency/foreign exchange risks:</b> an appreciation in the Australian dollar (AUD) against foreign currencies could reduce the value of your investment in AUD.</li> <li>o <b>Regulatory and tax risks:</b> your investment could be adversely affected by regulatory or tax changes in Australia, the US, China or other countries in which the securities in the Funds are regulated or invested.</li> </ul> <p>In addition for CETF in particular: the Fund will be exposed to heightened risks compared to investing in the Australian or US markets, which are associated with an investment in China which is an emerging market. These include potential difficulties in enforcing contractual obligations, changes in government policy, expropriation, economic conditions including international trade barriers, restrictions on foreign ownership, securities trading restrictions, restrictions on repatriation and restrictions on currency conversion.</p>		Section 8



Investing in a Fund										
<b>Unit Price or 'NAV'</b>	Each Fund's Unit Price or NAV is calculated as the Fund Net Asset Value divided by the number of ETF Units on issue. As each Fund will primarily hold shares in the associated Underlying Fund. The value of the investment in the Underlying Fund is based on the Underlying Fund's NAV at the close of trading on NYSE. It is then converted to Australian dollars based on the London WM Reuters 4pm exchange rate for that day and will be published at <a href="http://www.vaneck.com.au">www.vaneck.com.au</a> the next Business Day.	Section 10								
<b>Authorised Participants – transacting under this PDS</b>										
<b>AP Agreement</b>	Authorised Participants must enter into an AP Agreement with the RE and submit written applications for creations or redemptions of ETF Units.									
<b>Price paid by APs</b>	Authorised Participants transact with the RE for creations or redemptions of ETF Units at the relevant Fund's NAV calculated following the close of trading for that day, plus or minus fees and other costs.									
<b>Cutoff time for applications</b>	4pm on each ASX Trading Day.									
<b>Creations</b>	ETF Units can only be created in multiples of Creation Units for a Fund, unless we agree otherwise. Payment for a creation must generally be made by the Authorised Participant in the form of a parcel of the Underlying Fund shares (' <b>Standard Basket</b> ') plus or minus a balancing cash amount (' <b>Standard Basket Transaction</b> ').									
<b>Redemptions</b>	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.									
<b>APs minimum transaction size</b>	Unless we agree otherwise in advance, the minimum number of ETF Units for a creation (' <b>a Creation Unit</b> ') and a redemption (' <b>a Redemption Unit</b> ') 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>CETF</td> <td>35,000</td> </tr> <tr> <td>GDX</td> <td>30,000</td> </tr> <tr> <td>MOAT</td> <td>50,000</td> </tr> </tbody> </table>	Fund	No. of ETF Units per Creation Unit or Redemption Unit	CETF	35,000	GDX	30,000	MOAT	50,000	
Fund	No. of ETF Units per Creation Unit or Redemption Unit									
CETF	35,000									
GDX	30,000									
MOAT	50,000									
<b>Investing in a Fund via ASX – ASX Investors</b>										
<b>Buying/selling ETF Units on ASX</b>	ASX Investors may buy and sell ETF Units in a Fund on ASX through their Broker just like trading shares in a listed company. 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 if they have a minimum.	Sections 5, 6								
<b>ASX prices</b>	ASX Investors trade ETF Units at trading prices quoted on ASX through-out 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 securities during the ASX Trading Day.									
<b>Cooling-off</b>	There are no cooling-off rights applicable to the offers in this PDS or to trading of ETF Units on ASX.									
<b>Fees and other costs</b>										
<b>All investors pay:</b>		Section 9								
<b>Management costs (% p.a.)</b>	<table border="1"> <tbody> <tr> <td>CETF</td> <td>0.60</td> </tr> <tr> <td>GDX</td> <td>0.53</td> </tr> <tr> <td>MOAT</td> <td>0.49</td> </tr> </tbody> </table>	CETF	0.60	GDX	0.53	MOAT	0.49			
CETF	0.60									
GDX	0.53									
MOAT	0.49									
	Management costs are inclusive of GST and net of any reduced input tax credits.									

<b>Transactional and operational costs</b>	Additional costs relating to trading in the portfolios and associated operational activities will also be paid from the Fund and Underlying Fund, as applicable – see section 9.4.2		
<b>Authorised Participants – also pay:</b>			
<b>Transaction fees for creations, redemptions</b>	Contribution and withdrawal fees may also apply for Authorised Participants per each creation and redemption transaction as provided in AP Procedures for each Fund agreed with the RE from time to time.		
<b>Dividends</b>			
<b>Expected frequency</b>	<b>CETF</b>	Annually	Section 11
	<b>GDX</b>	Annually	
	<b>MOAT</b>	Annually	
<b>Dividend Reinvestment Plan (DRP)</b>	A Dividend Reinvestment Plan is available. Dividends will be paid as cash to your nominated bank account unless you contact the Registrar and elect to have dividends reinvested subject to the DRP Rules. Your dividends will then appear as additional ETF Units in your account.		
<b>Additional information about a Fund</b>			
<b>Website</b>	The following information is available at <a href="http://www.vaneck.com.au">www.vaneck.com.au</a> : <ul style="list-style-type: none"> <li>o Fund Net Asset Value;</li> <li>o Unit Price;</li> <li>o Fund and Underlying Fund portfolio holdings;</li> <li>o number of ETF Units outstanding;</li> <li>o the current PDS, any supplementary PDS and notice of any changes that are not materially adverse to investors;</li> <li>o DRP Rules;</li> <li>o information about any dividends;</li> <li>o a link to any announcements lodged with the ASX Market Announcements Platform (including continuous disclosure);</li> <li>o any other disclosure that is made available or provided to Unitholders; and</li> <li>o annual reports and half-year reports (including financial statements).</li> </ul>		
<b>Statements</b>	The following statements will be provided to investors: <ul style="list-style-type: none"> <li>o holding statement – for any transactions made during the month;</li> <li>o annual tax statement including dividend information – after 30 June each year; and</li> <li>o periodic statement showing your transactions and investments in a Fund – sent annually and following your exit from the Fund.</li> </ul>		
<b>Electronic communications</b>	To reduce our carbon footprint most types of statements are issued in electronic form. When you become a Unitholder in a 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.		
<b>Underlying Funds</b>	For more information about the Underlying Funds go to: For CETF: <a href="http://www.vaneck.com/pek">www.vaneck.com/pek</a> For GDX: <a href="http://www.vaneck.com/gdx">www.vaneck.com/gdx</a> For MOAT: <a href="http://www.vaneck.com/moat">www.vaneck.com/moat</a>		

## 4 The AQUA Rules

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### 4.1 The AQUA Rules

ETF Units in a 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 may require 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, each 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 value of the underlying instrument.

Under the ASX Listing Rules, a listed equity issuer typically lists securities (shares) which reflect the value of a business which they operate and control. By contrast, securities admitted to trading under the AQUA Rules (ETF Units) 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 a Fund reflects the value of the underlying portfolio of securities in that 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.

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

ASX Listing Rules	AQUA Rules
<p><b>Continuous disclosure</b></p> <p>Issuers are subject to the continuous disclosure requirements under Listing Rule 3.1 and section 674 of the <i>Corporations Act</i>.</p>	<p>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:</p> <ul style="list-style-type: none"> <li>○ ETF Units outstanding on a monthly basis;</li> <li>○ dividends and other disbursements;</li> <li>○ 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</li> <li>○ any other information that is required to be disclosed to ASIC under section 675 of the <i>Corporations Act</i> must be disclosed to ASX at the same time it is disclosed to ASIC.</li> </ul>
<p><b>Periodic disclosure</b></p> <p>Issuers are required to disclose their half-yearly and annual financial information or annual reports to ASX under Chapter 4 of the Listing Rules</p>	<p>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 Funds which are registered managed investment scheme products, we are still required to lodge with ASIC and disclose to ASX at the same time, financial reports required under Chapter 2M of the <i>Corporations Act</i>.</p>
<p><b>Corporate control</b></p> <p>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.</p>	<p>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.</p>
<p><b>Related party transactions</b></p> <p>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.</p>	<p>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>.</p>
<p><b>Auditor rotation obligations</b></p> <p>There are specific requirements in relation to auditor rotation under Part 2M.4 Division 5 of the <i>Corporations Act</i>.</p>	<p>These requirements do not apply to AQUA product issuers. Responsible entities of registered managed investment schemes will continue to be required to undertake 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).</p>
<p><b>Disclosure documentation</b></p> <p>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.</p>	<p>Products admitted to trading under the AQUA Rules will also be subject to these requirements of the <i>Corporations Act</i>.</p>

Source: ASX Rules Framework

## 5 Benefits of the Funds

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### 5.1 International strategy via a single ASX trade

In a single trade on ASX, each Fund gives investors exposure to a diversified portfolio of international companies, selected according to its Reference Index.

For more information on each Fund's Reference Index methodology see section 7.

### 5.2 Exchange Traded Funds

Each Fund is an ETF. ETFs provide investors with the best attributes of both managed funds and listed shares.

When you invest in a 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 get exposure to the performance of an entire portfolio of securities not just a single company, saving you money and time and providing instant diversification.

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

### 5.3 Access to international shares via ASX

Investing directly in international shares is difficult for most investors. Each Fund provides simple access via an Australian ETF which simplifies your administration and reporting, and eliminates foreign paperwork.

Investors also benefit from the other advantages of trading on ASX, including the ability to

transact during Australian market hours and settle payments in AUD.

### 5.4 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 may also apply when buying or selling ETF Units on ASX. See section 9 for more information.

### 5.5 Diversification with a single trade

Each Fund provides you with a simple way to access a diversified portfolio international shares via a single trade on ASX.

### 5.6 Liquidity

You can buy and sell ETF Units on ASX. Liquidity in a 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.

### 5.7 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).

### 5.8 Transparency of holdings

Each Fund provide investors with transparency in respect of portfolio holdings. Each Fund's and Underlying Fund's portfolio holdings will be published daily at [www.vaneck.com.au](http://www.vaneck.com.au).

## 6 How the Funds work

### 6.1 Registered managed investment scheme

Each Fund is registered with ASIC and regulated as a 'registered managed investment scheme'. Each Fund issues a class of units (ETF Units) which, like shares, are traded on ASX. The Funds operate like most other managed investment schemes:

- o each Fund is constituted as a 'unit trust';
- o when you invest you acquire 'units' 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. A Responsible Entity is appointed to professionally manage the investments 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 the RE in the '**primary market**' to institutional investors (Authorised Participants) in exchange for a specified basket of securities per 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), the ETF Units are generally made available by the AP 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) this is known as a '**redemption**'. APs can apply to create or redeem ETF Units based on the NAV at the end of the relevant Business Day.

ASX Investors can trade generally throughout each ASX Trading Day at trading prices quoted on ASX.

### 6.3 Rights of a Unitholder

Whether you invest in a 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 that Fund. For more information on your rights as a Unitholder see section 13.2.

### 6.4 Roles and responsibilities

The key roles involved in the operation of each Fund are set out in the table below. The RE 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
<b>Responsible Entity/RE</b>	Issues this PDS, the ETF Units, and is responsible for operating the Fund.
<b>Investment manager</b>	The RE manages the investment portfolio of the Fund in line with its investment strategy. The US Adviser is appointed as investment adviser of the Underlying Fund.
<b>Custodian</b>	Holds the assets of the Fund for safe-keeping on behalf of the RE and Unitholders. Assets are segregated from the Custodian's assets or any other funds' assets.
<b>Fund Administrator</b>	Processes creations, redemptions and maintains the books and records of the Funds, including: fund accounting; calculating Unit Prices and taxation.
<b>Index Provider</b>	Develops and maintains the Reference Index that the Fund aims to track.
<b>Registrar</b>	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 RE.
<b>Authorised Participant/AP</b>	Transacts directly with the RE to create (or redeem) ETF Units (primary market) to match demand from ASX Investors. In some cases also acts as a Market Maker.
<b>Market Maker</b>	Subject to certain conditions, provides liquidity and trading volume in the Fund on ASX by acting as a seller and a buyer of ETF Units to/from ASX Investors (secondary market) throughout the ASX Trading Day. In some cases acts as an AP in the primary market and then quotes the ETF Units on ASX for sale to ASX Investors in the secondary market.

# 7 Investment objective, strategy, Reference Index and performance of the Funds

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## 7.1 Investment objective

Each Fund aims to provide investment returns before fees and other costs which track the performance of its Reference Index in AUD.

## 7.2 Investment strategy

To achieve its investment objective, each Fund primarily acts as a 'feeder fund' employing a passive management strategy of investing in an Underlying Fund issued and operated by VanEck in the United States.

The feeder fund structure allows Australian investors to access US domiciled international investment opportunities simply via trading on ASX and without the need to complete foreign tax paperwork. See section 2 for more information on VanEck's affiliated entities.

While the Funds operate as feeder funds they will only invest in shares in the Underlying Funds. See section 8.2.17 for more information. Each Underlying Fund also employs a passive management strategy of normally investing at least 80% of its total assets in a portfolio of securities that comprise the Reference Index constituents.

An Underlying Fund may also hold other securities, including securities that are not in the Reference Index or derivatives, where such securities provide a similar risk and return profile to Reference Index constituents and are permitted under its investment rules to achieve the investment objective. For more information on derivatives see section 8.2.11.

The aim is to be fully invested as much as reasonably practicable, to achieve the investment objective set out in 7.1 above.

## 7.3 Each Fund's Reference Index

### 7.3.1 VanEck Vectors China CSI 300 ETF

The Fund gives investors exposure to the broad China economy via approximately 300 securities that comprise the **CSI 300 Index**. The CSI 300 Index is comprised of the largest and most liquid stocks in the Chinese A-share market. A-shares are issued by companies incorporated in the People's Republic of China and are traded in Renminbi (RMB) on the Shenzhen or Shanghai Stock Exchanges.

The CSI 300 Index is published by China Securities Co., Ltd which is not a related entity of VanEck.

For more information on the Underlying Fund for CETF go to [www.vaneck.com/pek](http://www.vaneck.com/pek).

### 7.3.2 VanEck Vectors Gold Miners ETF

The Fund gives investors exposure to securities of companies involved in the gold mining industry. The NYSE® Arca Gold Miners Index® (**Gold Miners Index**) is primarily comprised of publicly traded companies involved in the mining for gold and silver. The weight of companies whose revenues are more significantly exposed to silver mining will not exceed 20% of the Gold Miners Index.

The Gold Miners Index is published by ICE Data Indicies, LLC which is not a related entity of VanEck.

For more information on the Underlying Fund for GDx go to [www.vaneck.com/gdx](http://www.vaneck.com/gdx).

### 7.3.3 VanEck Vectors Morningstar Wide Moat ETF

The Fund employs a high conviction US strategy that gives investors exposure to securities that comprise the Morningstar® Wide Moat Focus Index™ (**Wide Moat Index**). The Wide Moat Index comprises between 40 to 80 wide moat companies in the US that Morningstar considers are the most attractively priced based on Morningstar's proprietary methodology that considers quantitative and qualitative factors.

The Wide Moat Index is derived from the Morningstar® US Market Index™, a broad market index representing 97% of US Market Capitalisation.

**Wide moat companies** are those in which Morningstar has very high confidence excess returns will remain for 10 years, with excess returns more likely than not to remain for at least 20 years.

The Wide Moat Index is published by Morningstar, Inc which is not a related entity of VanEck.

For more information on the Underlying Fund for MOAT go to [www.vaneck.com/moat](http://www.vaneck.com/moat).

## 7.4 Unhedged

Each Fund and Underlying Fund do not hedge their exposure to foreign currencies. Investments in the Funds are subject to the currency risk of the underlying securities in international markets and the value of the investment may decrease because of unfavourable changes in currency exchange rates.

## 7.5 Fund holdings

The portfolio holdings for the Fund and Underlying Fund are published daily at [www.vaneck.com.au](http://www.vaneck.com.au).

## **7.6 Valuations and pricing**

### **7.6.1 Unit Price or NAV**

The Unit Price or 'NAV' of a 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 a Fund's assets and liabilities are consistent with the range of ordinary commercial practices for valuations.

As each Fund will primarily hold shares in the associated Underlying Fund, the value of the investment in the Underlying Fund is based on the Underlying Fund's NAV at the close of trading on NYSE. It is then converted to Australian dollars based on the London WM Reuters 4pm exchange rate for that day and will be published at [www.vaneck.com.au](http://www.vaneck.com.au) the next Business Day.

### **7.6.2 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 and foreign exchange movements as calculated by the Market Maker during the ASX Trading Day.

## **7.7 Performance information**

Up to date performance information for the Funds and historical performance relative to the Reference Index in AUD is published at [www.vaneck.com.au](http://www.vaneck.com.au). The performance of each Fund will differ from that of its Reference Index as explained in section 8.2.5.

Neither the return of capital invested nor the performance of the Funds is guaranteed. Past performance is not an indicator of current or future returns which may be higher or lower.

## **7.8 Changes to a Fund's investment objective and strategy**

VanEck may from time to time vary a Fund's or Underlying Fund's investment objective and strategy including replacing its Reference Index. The Index Provider may also vary or replace the Reference Index. This may result in a Fund investing in a different underlying fund or directly in individual securities as permitted under the AQUA Rules. We will notify Unitholders of any such changes.

## **7.9 Environmental, social and ethical considerations**

Each Fund aims to track the performance of its Reference Index. The Reference Indexes do not take into account labour standards or

environmental, social or ethical considerations when selecting securities. Accordingly neither the Funds nor the Underlying Funds take such matters into consideration when acquiring or realising investments.

## **7.10 Proxy voting**

Any proxies in respect of underlying securities held in the Underlying Funds are voted by the US Adviser independently of and without consultation with the RE.

In accordance with US regulatory requirements, the RE currently expects it will abstain from voting on the Underlying Fund's shares.

## **7.11 Securities lending by Underlying Funds**

The Funds will not engage in securities lending, however, the Underlying Funds may lend their portfolio securities to generate additional income. All net proceeds earned by the Underlying Funds in the securities lending process are allocated to the applicable Underlying Fund after subtracting fees payable to the lending agent.

Securities lending is an established practice that involves the lending of securities from a lender, such as a fund to a third-party (borrower). In return, the borrower posts collateral to secure the loan. Over the course of the loan term, the fund will receive any interest or dividends on the securities loaned. Moreover, the borrower will pay a fee, as well as any interest earned on the investment of the cash collateral.

An Underlying Fund may lend up to 33% of its investments requiring that the loan be continuously collateralized by cash, US Government or US Government agency securities, shares of an investment trust or mutual fund, or any combination of cash and such securities at all times equal to at least 102% (105% for non-US securities) of the market value plus accrued interest on the securities loaned.

Details of each Underlying Fund's securities lent and collateral held is available at [www.vaneck.com](http://www.vaneck.com) on each Underlying Fund's page under the 'securities lending' tab. Refer to section 8.2.21 for details regarding the associated risks with securities lending.

## **7.12 Index Provider disclaimers**

### **7.12.1 CETF – China Securities Index Co., Ltd,**

CSI® and CSI 300® Index and its logo are service marks of China Securities Index Co., Ltd ('CSI') and/or Shanghai Stock Exchange and have been licensed for use by VanEck. CETF is not sponsored, endorsed, sold or promoted by CSI and CSI makes no representation regarding the advisability of investing in the Fund or the Underlying Fund. The Index is compiled and calculated by CSI. CSI will apply all necessary means to ensure the accuracy of the Index. However, neither CSI nor the Shanghai Stock Exchange nor the Shenzhen Stock Exchange



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#### **7.12.2 GDX – ICE Data Indices**

NYSE® Arca Gold Miners Index® is a trademark of ICE Data Indices, LLC or its affiliates ('IDI') and has been licensed for use by VanEck in connection with GDX. Neither the Fund, the Underlying Fund nor the Trust is sponsored, endorsed, sold or promoted by IDI. IDI makes no representations or warranties regarding GDX or VanEck or the ability of the NYSE Arca Gold Miners Index to track general stock market performance.

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#### **7.12.3 MOAT – Morningstar Inc.**

The Morningstar® Wide Moat Focus Index™ was created and is maintained by Morningstar, Inc. Morningstar, Inc. does not sponsor, endorse, issue, sell, or promote MOAT and bears no liability with respect to the Fund, the Underlying Fund or any security. Morningstar® and Morningstar Wide Moat Focus Index™ are trademarks of Morningstar, Inc. and have been licensed for use by VanEck.

MOAT is not sponsored, endorsed, sold or promoted by Morningstar. Morningstar makes

no representation or warranty, express or implied, to the investors in MOAT or any member of the public regarding the advisability of investing in securities generally or in MOAT in particular or the ability of the Wide Moat Index to track general stock market performance. Morningstar's only relationship to the RE and the US Adviser is the licensing of certain service marks and service names of Morningstar and of the Wide Moat Index, which is determined, composed and calculated by Morningstar without regard to the RE or US Adviser or MOAT. Morningstar has no obligation to take the needs of the RE, the US Adviser or the investors in MOAT into consideration in determining, composing or calculating the Wide Moat Index. Morningstar is not responsible for and has not participated in the determination of the prices and amount of the Wide Moat Index or the timing of the issuance or sale of the Wide Moat Index or in the determination or calculation of the equation by which the Wide Moat Index is converted into cash. Morningstar has no obligation or liability in connection with the administration, marketing or trading of the Wide Moat Index.

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# 8 Risks

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## 8.1 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 Funds 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.

## 8.2 RISKS ASSOCIATED WITH ALL THE FUNDS

Growth investments such as shares generally have relatively higher market risk than bonds and cash. International shares generally have higher risks than Australian shares and investing in emerging markets such as China, has specific risks which are in addition to the typical risks associated with investing in Australia and other developed markets.

### 8.2.1 Market risk

Investors should be aware that markets can fluctuate affecting the returns on an investment portfolio from day-to-day. Investors in the Funds must be willing to accept a high degree of volatility in the performance of the Funds. This volatility may cause the value of an investment in the Funds to decrease.

### 8.2.2 Security specific risk

The value of a company's shares which make up part of the underlying assets in the Funds 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, market sectors and countries, the Funds are generally insulated from the specific risks of individual securities.

### 8.2.3 Currency risk

Each Fund invests in foreign securities. The Funds do not hedge their currency exposure. There is a risk that unfavourable fluctuations in the value of the Australian dollar relative to the foreign currencies will adversely affect the value of the Funds measured in Australian dollars. A rise in the value of the Australian dollar relative to foreign currency(ies) in which underlying securities are denominated could decrease the value of the ETF Units and any income received by the Fund.

In particular for each Fund:

The value of **CETF** will fluctuate with fluctuations in the value of the AUD relative to China's renminbi (RMB).

As **GDX** is a global fund the value of the Fund will fluctuate with fluctuations in the value of the AUD relative to multiple foreign currencies.

The value of **MOAT** will fluctuate with fluctuations in the value of the AUD relative to the US dollar (USD).

### 8.2.4 Dividend risk

This is the risk that dividends will not be paid. See section 11 for more information.

### 8.2.5 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 the Reference Index. The Fund does not aim to perfectly replicate its Reference Index on a one-to-one basis for a number of reasons, including:

- o For efficiency the Fund invests primarily in the Underlying Fund and not directly in the securities in the Reference Index and the Underlying Fund may perform differently to the Reference Index;
- o differences in the timing of dividends and corporate actions between the Reference Index, the Underlying Fund and the Fund;
- o the Underlying Fund may not be able to achieve the same trading price for securities as that determined for the Reference Index;

- The Underlying Fund may value the securities differently to the Reference Index;
- there are fees and other costs applicable to operating the Fund and Underlying Fund which do not apply to the Reference Index (see section 9);
- withholding tax rates applied to the Reference Index may differ to those applicable to the Underlying Fund or the Fund;
- withholding tax imposed on dividends from the Underlying Fund is not reflected in the Reference Index;
- the US Adviser may not be able to invest in certain securities due to liquidity or regulatory restrictions or may vary weightings compared to the Reference Index and may invest in securities that are not in the Reference Index; and
- the Fund and Underlying Fund may hold cash.

#### **8.2.6 ASX trading time differences:**

ETF Units are only able to be traded during ASX trading hours. Market factors could adversely impact the value of the Fund while ASX is closed for trading. This could result in substantial losses due to being unable to trade until ASX re-opens.

#### **8.2.7 Exchange trading risk**

This is the risk that the value of the ETF Units changes while investors are unable to trade during normal trading hours resulting in a loss of value to their investment. Secondary market trading of the ETF Units on ASX and of the Underlying Fund shares on their US listing exchange may be suspended by the ASX or their US listing exchange or halted by us or the US Adviser because of market conditions or other reasons. For example, a failure by the Market Maker to make a market if they are unable to confidently value the portfolio held by the Underlying Fund. In these circumstances, ASX Investors may be unable to buy or sell ETF Units, and we may be unable to buy or sell shares in the Underlying Funds and the processing of application for creations and redemptions for Authorised Participants may be suspended or modified.

#### **8.2.8 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. A Market Maker has been appointed to support liquidity on ASX, therefore ETF Units should generally be liquid, however, there is no guarantee this will remain the case at all times.

#### **8.2.9 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. Unitholders should be aware that a Market Maker may be paid fees (see section 9.4.1 for more information). A Market Maker retains for its own account any trading profits and bears any losses generated by its market making activities.

#### **8.2.10 Trading price risk**

This is the risk that the trading price of the ETF Units on ASX will differ from the Unit Price. This is because the trading price of the ETF Units on ASX is influenced by the level of supply and demand for ETF Units. In contrast the Unit Price is calculated at the end of each ASX Trading Day. The engagement of a Market Maker is designed to minimise the likelihood that the ETF Units trade on ASX at a significant discount or premium to the Unit Price.

#### **8.2.11 Derivatives risk**

Exchange-traded futures, a form of derivative, may be used by the Fund or the Underlying Fund. Futures derive their value from the performance of a reference asset, for example: a share or a market index.

The use of futures 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 reference asset. 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 asset, counterparty risk and potential illiquidity which may occur if a particular derivative instrument is difficult to purchase or sell. See section 8.2.20 for more information.

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

#### **8.2.12 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.

#### **8.2.13 Underlying Fund risk**

Each Fund will predominantly implement its investment strategy by investing in its associated Underlying Fund. The Fund and Underlying Fund are managed and operated as separate entities with separate investment teams and trustees. There is no guarantee that the

Underlying Fund will continue to be managed in accordance with the current investment objective or remain open to investment in the future. Changes to the Underlying Fund may be made without Unitholder approval. In addition, there is a risk that the fees and costs applicable to the Underlying Fund could change, the US Adviser or other parties could change and the Underlying Fund could terminate, resulting in changes to or termination of the Fund.

#### **8.2.14 Index risk**

There is a risk that the Reference Index ceases to be available for use by the Fund or the Underlying Fund, resulting in the Fund not being able to achieve its stated investment objective. If this was to occur, the RE 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.

#### **8.2.15 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. The RE 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.

#### **8.2.16 Force majeure**

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

#### **8.2.17 Regulatory and tax risk generally**

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

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

#### **8.2.18 US SEC Regulatory risk**

The RE, as an affiliate of the Trust and related party of the US Adviser is relying on a 'no-action letter' issued by the US Securities Exchange

Commission ('SEC') in order that the Funds may act as foreign feeder funds into the Underlying Funds. The RE may decide in the future to no longer rely on the no action letter.

There is a risk that the SEC may withdraw the no action letter or vary its conditions in which case the RE may need to make changes to the Fund investment strategy and/or objective including but not limited to: no longer relying on the no action letter; no longer operating the Fund as a feeder fund and investing directly in the underlying securities in the Reference Index; changing the investment strategy and objective for the Funds; or terminating the Funds, which could have adverse financial and tax consequences for investors.

#### **8.2.19 ETF Unit settlement risk**

The processes of issuing and redeeming ETF Units associated with creations and redemptions are subject to the normal settlement procedures through CHES. 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 CHES rules and ASX fail fees.

#### **8.2.20 Counterparty risk**

This is the risk that the Fund's 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 8.2.11.

#### **8.2.21 Securities lending risk in Underlying Fund**

An Underlying Fund may lend its portfolio securities to brokers, dealers and other financial institutions desiring to borrow securities to complete transactions and for other purposes. In connection with such loans, the Underlying Fund receives liquid collateral equal to at least 102% of the value of the portfolio securities being loaned. This collateral is marked-to-market on a daily basis. Although an Underlying Fund will receive collateral in connection with all loans of its securities holdings, the Underlying Fund would be exposed to a risk of loss should a borrower fail to return the borrowed securities (e.g., the Underlying Fund would have to buy replacement securities and the loaned securities may have appreciated beyond the value of the collateral held by the Underlying Fund) or become insolvent. An Underlying Fund may pay fees to the party arranging the loan of securities. In addition, the Underlying Fund will bear the risk of loss of any cash collateral that it invests. Refer to section 7.10 for further details.

### **8.3 RISKS SPECIFIC TO CETF**

#### **8.3.1 Emerging markets risks**

CETF is concentrated in China which is an emerging market country. Investments in emerging markets face a greater risk of loss than

investments in developed markets. This is due to, among other things, greater market volatility, lower trading volume, political and economic instability, high levels of inflation, deflation or currency devaluation, greater risk of market shut down, evolving legal and regulatory frameworks and exchange rules, potential difficulty in enforcing contractual obligations and more governmental limitations on foreign investment policy than those typically found in a developed market. These include potential expropriation, international trade barriers, restrictions on foreign ownership, securities trading restrictions, restrictions on repatriation and restrictions on currency conversion.

In addition, the financial stability of listed companies in emerging market countries may be more precarious than in developed markets. Trading, settlement and custody practices for transactions in emerging markets may differ from developed markets including delays and delivery of securities prior to receipt of payment. The limited liquidity of emerging market country securities may also affect the Underlying Fund's ability to accurately value its portfolio securities or to acquire or dispose of securities at the price and time it wishes to do so or in order to meet redemption requests.

## **8.4 RISKS SPECIFIC TO GDX**

### **8.4.1 Precious metal risks**

An investment in GDX may be subject to risks which include, among others: dependency on the price of gold and silver bullion which may fluctuate substantially over short periods of time; periods of outperformance and underperformance of traditional investments such as bonds and stocks; and natural disasters, all of which may adversely affect the value of the Fund.

## **8.5 WARNING STATEMENT FOR NEW ZEALAND INVESTORS**

The following disclosure is made to enable the ETF Units to be offered to investors in New Zealand under the mutual recognition scheme between Australia and New Zealand:

1. This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the *Corporations Act 2001* (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the *Financial Markets Conduct Act 2013* and Part 9 of the *Financial Markets Conduct Regulations 2014*.
2. This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the *Corporations Act 2001* (Aust) and the regulations made under that Act set out how the offer must be made.

3. There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.
4. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.
5. Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.
6. The taxation treatment of Australian financial products is not the same as for New Zealand financial products.
7. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

### **8.5.1 Currency exchange risk for New Zealand investors**

1. The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.
2. If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

### **8.5.2 Trading on a financial product market**

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

### **8.5.3 Dispute resolution process**

The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.

## 9 Fees and other costs

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### **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 account 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](http://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 12.

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

The tables in sections 9.1, 9.2 and 9.3 set out the fees and other costs for all investors in the Funds.

## 9.1 Fees and costs for VanEck Vectors China CSI 300 ETF

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<b>Fees when your money moves in or out of the Fund</b>		
<b>Establishment fee:</b> The fee to open your investment	Nil	Not applicable
<b>Contribution fee#:</b> The fee on each amount contributed to your investment	Nil	Not applicable
<b>Withdrawal fee#:</b> The fee on each amount withdrawn from your investment	Nil	Not applicable
<b>Exit fee:</b> The fee to close your investment	Nil	Not applicable
<b>Management costs*</b>		
The fees and costs for managing your investment in <b>CETF</b> : Management fee Indirect costs (Underlying Fund) Total management cost (estimated)	0.00% p.a. <u>0.60% p.a.*</u> 0.60% p.a.	Calculated and accrued daily on the Underlying Fund Net Asset Value and reflected in the daily NAV. Management costs are paid out of the assets of the Underlying Fund as incurred.
<b>Service fees</b>		
<b>Switching fee:</b> The fee for changing investment options	Nil	Not applicable

#Additional costs may apply to Authorised Participants as agreed in the AP Procedures from time to time.

\*See section 9.4 for more information. The Underlying Fund costs are a reasonable estimate and include the US Adviser's fee from which any sub-advisory fee or fees payable to the RE are paid, as well as certain recoverable expenses incurred in the operation of the Underlying Fund. The US Adviser has agreed to waive a portion of its fee and/or pay expenses (excluding uncapped transactional and operational costs set out in section 9.4.2) to the extent necessary to prevent the management costs of the Underlying Fund exceeding 0.60% p.a. of the Underlying Fund's average daily net assets until at least 1 May 2020.

### Example of annual fees and costs

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

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

- 1 This example applies the management costs based on US Adviser's fee waiver and expense cap. Additional fees may apply. See section 9.4 for more information.
- 2 The cost of the Fund assumes that the investment amounts do not rise or fall in capital value and remain invested to the end of the year.

## 9.2 Fees and costs for VanEck Vectors Gold Miners ETF

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<b>Fees when your money moves in or out of the Fund</b>		
<b>Establishment fee:</b> The fee to open your investment	Nil	Not applicable
<b>Contribution fee#:</b> The fee on each amount contributed to your investment	Nil	Not applicable
<b>Withdrawal fee#:</b> The fee on each amount withdrawn from your investment	Nil	Not applicable
<b>Exit fee:</b> The fee to close your investment	Nil	Not applicable
<b>Management costs*</b>		
The fees and costs for managing your investment in <b>GDX</b> : Management fee Indirect costs (Underlying Fund) Total management cost (estimated)	0.00% p.a. <u>0.53% p.a.*</u> 0.53% p.a.	Calculated and accrued daily on the Underlying Fund Net Asset Value and reflected in the daily NAV. Management costs are paid out of the assets of the Underlying Fund as incurred.
<b>Service fees</b>		
<b>Switching fee:</b> The fee for changing investment options	Nil	Not applicable

#Additional costs may apply to Authorised Participants as agreed in the AP Procedures from time to time.

\*See section 9.4 for more information. The Underlying Fund costs are a reasonable estimate and include the US Adviser's fee from which any fees payable to the RE are paid, as well as certain recoverable expenses incurred in the operation of the Underlying Fund. The US Adviser has agreed to waive a portion of its fee and/or pay expenses (excluding uncapped transactional and operational costs - see section 9.4.2) to the extent necessary to prevent the management costs of the Underlying Fund exceeding 0.53% p.a. of the Underlying Fund's average daily net assets until at least 1 May 2020.

### Example of annual fees and costs

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

EXAMPLE: VANECK VECTORS GOLD MINERS ETF		BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR
Contribution fees	Nil	For every additional \$5,000 you put in you will be charged \$0
<b>PLUS</b> management costs	0.53% p.a. <sup>1</sup>	<b>And</b> , for every \$50,000 you have in the Fund you will be charged \$265 each year.
<b>EQUALS</b> Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of: <b>\$265 to \$291.50</b> <sup>2</sup> depending on when you made the additional contribution

- 1 This example applies the management costs based on US Adviser's fee waiver and expense cap. Additional fees may apply. See section 9.4 for more information.
- 2 The cost of the Fund assumes that the investment amounts do not rise or fall in capital value and remain invested to the end of the year.



### 9.3 Fees and costs for VanEck Vectors Morningstar Wide Moat ETF

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<b>Fees when your money moves in or out of the Fund</b>		
<b>Establishment fee:</b> The fee to open your investment	Nil	Not applicable
<b>Contribution fee#:</b> The fee on each amount contributed to your investment	Nil	Not applicable
<b>Withdrawal fee#:</b> The fee on each amount withdrawn from your investment	Nil	Not applicable
<b>Exit fee:</b> The fee to close your investment	Nil	Not applicable
<b>Management costs*</b>		
The fees and costs for managing your investment in <b>MOAT:</b> Management fee Indirect costs (Underlying Fund) Total management cost (estimated)	0.00% p.a. <u>0.49% p.a.*</u> 0.49% p.a.	Calculated and accrued daily on the Underlying Fund Net Asset Value and reflected in the daily NAV. Management costs are paid out of the assets of the Underlying Fund as incurred.
<b>Service fees</b>		
<b>Switching fee:</b> The fee for changing investment options	Nil	Not applicable

#Additional costs may apply to Authorised Participants as agreed in the AP Procedures from time to time.

\*See section 9.4 for more information. The Underlying Fund costs are a reasonable estimate and include the US Adviser's fee from which any fees payable to the RE are paid, as well as certain recoverable expenses incurred in the operation of the Underlying Fund. The US Adviser has agreed to waive a portion of its fee and/or pay expenses (excluding uncapped transactional and operational costs – see section 9.4.2) to the extent necessary to prevent the management costs of the Underlying Fund exceeding 0.49% p.a. of the Underlying Fund's average daily net assets until at least 1 February 2020.

#### Example of annual fees and costs

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

EXAMPLE: VANECK VECTORS MORNINGSTAR WIDE MOAT ETF		BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR
Contribution fees	Nil	For every additional \$5,000 you put in you will be charged \$0
<b>PLUS</b> management costs	0.49 % p.a. <sup>1</sup>	<b>And</b> , for every \$50,000 you have in the Fund you will be charged \$245 each year.
<b>EQUALS</b> Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of: <b>\$245 to \$269.50</b> <sup>2</sup> depending on when you made the additional contribution

1 This example applies the management costs based on US Adviser's fee waiver and expense cap. Additional fees may apply. See section 9.4 for more information.

2 The cost of the Fund assumes that the investment amounts do not rise or fall in capital value and remain invested to the end of the year.

## 9.4 ADDITIONAL EXPLANATION OF FEES AND COSTS

Unitholders in the Funds are charged the same management fees and costs as investors who invest directly in the Underlying Funds.

The fees and costs incurred in the Fund consist of:

1. *management costs* – which are capped in respect of normal recoverable expenses; and
2. *transactional and operational costs* - which are uncapped.

The fees and costs include both *direct costs* paid from the Fund's and *indirect costs* paid from the Underlying Fund's assets that the RE knows or reasonably estimates will reduce the Fund's investment returns.

Other uncapped fees and costs may also apply such as abnormal expenses and financial adviser and broker fees incurred outside the Fund.

### 9.4.1 Management costs

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

The management costs stated in 9.1, 9.2 and 9.3 are charged to Unitholders as an 'all in' capped cost for normal recoverable fees and expenses. They do not include transactional and operational costs (9.4.2), abnormal expenses (9.4.3) or Broker fees (9.4.6).

The normal recoverable expenses paid by VanEck from the management costs include but are not limited to:

- the RE's and US Adviser's fee (including any sub-adviser fees) for managing and administering a Fund and the Underlying Fund respectively; and
- recoverable expenses, including: costs of custody, registry, accounting, index license fees, legal, audit and other services; and offering fees or expenses.

The US Adviser has agreed to waive a portion of its fee and/or pay certain expenses (excluding uncapped expenses) to limit the management costs to the amounts shown in the tables in 9.1 to 9.3 and below. Set out below are the actual management costs for the Underlying Funds for their previous financial year.

#### VanEck Vectors ChinaAMC CSI 300 ETF

Adviser's fee	0.50 %
Recoverable expenses	0.67 %
Fee waiver and expense reimbursement	<u>-0.57 %</u>
Actual management cost	<b><u>0.60 %</u></b>
Management cost cap (see 9.1)	<u>0.60 %</u>
Difference	0.00 %

#### VanEck Vectors Gold Miners ETF

Adviser's fee	0.50 %
Recoverable expenses	0.02 %
Fee waiver and expense reimbursement	<u>0.00 %</u>
Actual management cost	<b><u>0.52 %</u></b>
Management cost cap (see 9.2)	<u>0.53 %</u>
Difference	-0.01 %

#### VanEck Vectors Morningstar Wide Moat ETF

Adviser's fee	0.45 %
Recoverable expenses	0.04 %
Fee waiver and expense reimbursement	<u>0.00 %</u>
Actual management cost	<b><u>0.49 %</u></b>
Management cost cap (see 9.3)	<u>0.49 %</u>
Difference	0.00 %

The management cost cap is expected to continue until the Underlying Fund's Board of Trustees acts to discontinue all or a portion of such expense limitation.

Due to differences between US and Australian laws and regulations, the management cost cap for each Fund includes amounts that may not fall within the definition of 'management costs' from an Australian regulatory perspective, such as a portion of the uncapped transactional and operational costs in 9.4.2. As a result, the management costs stated in 9.1 to 9.3 are the RE's reasonable estimate of each Fund's ongoing management costs.

### 9.4.2 Transactional and operational costs

Transactional and operational costs incurred in association with trading activity with the aim of achieving the Fund's investment objective 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. These costs may be incurred directly in a Fund's portfolio or indirectly in the Underlying Fund's portfolio. Such expenses listed below are excluded from the management costs caps in the tables in 9.1 to 9.3 and are uncapped:

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

For GDx and MOAT interest expense is also uncapped. However for CETF interest expense is included in the management costs cap.

The estimated transactional and operational costs for the Funds' first financial year are:

Fund	Transactional and operational costs p.a.	Cost per \$50,000 p.a.
CETF	0.18%	\$90
GDx	0.02%	\$10
MOAT	0.04%	\$20

#### **9.4.3 Abnormal expenses**

Abnormal expenses are management costs not generally incurred in the day-to-day operations of the Funds 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 9.1 to 9.3 and may be recovered from the assets of a Fund and accounted for in the Unit Price of the Fund as and when they arise. At the date of this PDS the estimate of abnormal expenses of the Funds that will apply for the current financial year (adjusted to reflect a 12 month period) is: Nil.

#### **9.4.4 Notification of changes to fees and costs**

The RE may vary its fees or introduce new fees at the Fund level without investor consent up to the maximums described in the Fund Constitution. Under the Constitutions we are entitled to charge the following relevant maximum fees:

- o Management fee: 5% p.a. of the Fund's NAV; and
- o Application and redemption fee (only payable by APs and called contribution and withdrawal fees in this PDS): Up to \$10,000 per creation or redemption.

The US Adviser fee along with all costs and expenses of the Underlying Fund other than transactional and operational costs, is paid out of the management costs caps set out in 9.1 to 9.3.

The US Adviser cannot increase its US Adviser's fee set out above without the approval of shareholders of the Underlying Funds. The RE will not vote on such a proposal.

The US Adviser has agreed to waive a portion of its fee and/or pay certain expenses (excluding uncapped expenses) to limit the management costs to the caps in the tables in 9.1 to 9.3.

When the US Adviser agrees to limit management costs it typically does so for periods of 12 months. During such time, the expense limitation is expected to continue until the Underlying Fund's Board of Trustees acts to discontinue all or a portion of such expense limitation. The expense limitation may be changed without prior notice.

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 cost caps for the Funds, via a notice on our website at [www.vaneck.com.au](http://www.vaneck.com.au) and the ASX Market Announcements Platform.

We publish a *Summary of fees and other costs* on our website that provides notice of any changes to transactional and operational costs.

#### **9.4.5 Contribution and withdrawal fees for APs on creations and redemptions**

Transactional and operational costs are not incurred by the Fund on Standard Basket Transactions. While the Funds only invest in shares in the Underlying Funds these costs are expected to be immaterial. Unless otherwise agreed with VanEck we will not accept applications for Non-Standard Transactions. If VanEck agrees, the costs will be agreed with the AP in separate AP Procedures.

#### **9.4.6 Broker fees**

ASX Investors should obtain advice from a financial adviser before investing in the Funds 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 ongoing transactional and operational costs of the Funds. See section 9.4.2.

#### **9.4.7 Related party payments**

Related parties and associates of the RE may receive fees on arms' length commercial terms for providing services to the Funds, the Underlying Funds and the Trust. Van Eck Associates Corporation is the US Adviser appointed to the Underlying Funds and is paid fees from the Underlying Funds for adviser services. We may engage the services of related parties and associates at our discretion. These fees are paid out of the management costs caps set out in 9.1 to 9.3.

#### **9.4.8 Benefits received**

VanEck may receive benefits (e.g. research) from brokers effecting trades for the Funds and Underlying Funds. These benefits may flow to the Funds, Underlying Funds and to other funds managed by VanEck.

# 10 Transacting with the Responsible Entity

## IMPORTANT NOTICE

**This section provides a summary of the creation and redemption process that applies to transactions between the Funds and Authorised Participants (APs) only. The procedures do not apply to ASX Investors who may trade ETF Units on ASX via a Broker in the same way they trade listed shares.**

### 10.1 For APs prior to transacting

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. Creation and redemption procedures will be agreed in written AP Procedures between VanEck and APs from time to time.

### 10.2 Applications by Authorised Participants

Unless we agree otherwise, applications for creations and redemptions of ETF Units may only be made by Authorised Participants by completing the Application Form and delivering it to us by 4pm on an ASX Trading Day. We may accept or reject applications in a different form 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.

### 10.3 Standard Basket Transactions

Applications for creations or redemptions of ETF Units will generally only be made by way of Standard Basket Transactions. The Standard Basket is available on request.

A Standard Basket for a Fund may consist of the Underlying Fund's shares, securities in the Reference Index and any other securities determined by the RE as necessary and appropriate under ASX Rules and US regulations to achieve the Fund's investment objective.

### 10.4 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)
CETF	35,000
GDX	30,000
MOAT	50,000

### 10.5 Processing applications

All applications for creations and redemptions will be processed in accordance with the AP Procedures, taking into account ASX Rules and settlement requirements.

### 10.6 Cooling-off

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

### 10.7 'Liquid' for the purposes of the Corporations Act

The redemption of ETF Units assumes that a Fund remains 'liquid' – meaning that its assets can be readily sold. Under the *Corporations Act*, the 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 Funds will remain liquid. If a Fund is illiquid, a redemption request will be dealt with in accordance with the Constitution and the *Corporations Act*.

### 10.8 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' around the end of a dividend period when we are calculating and paying dividends; or
- in circumstances, such as adverse market conditions, where we determine it is not possible to accurately calculate Unit Prices; and
- on days on which relevant foreign stock exchanges are closed.

We may also suspend creations or redemptions in other circumstances. We will notify APs 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 a 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.

## **10.9 Pricing**

### ***10.9.1 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 7.6, 9.1, 9.2, 9.3 and 9.4.5 for more information.

### ***10.9.2 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 Dividends

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## 11.1 Payment of dividends

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

We will provide details in advance of any dividends to be paid by a 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.

## 11.2 Frequency of dividends

The Funds generally pays dividends annually.

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.

## 11.3 Dividend Reinvestment Plan

A Dividend Reinvestment Plan is available. If you elect to participate in the DRP the amounts of any dividends will be credited to you as additional ETF Units following relevant payment dates. 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](http://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 where all dividends are 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.

# 12 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 a Fund. It should not be used as the basis upon which a decision is made to invest in a 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.

### 12.1 Taxation of Australian resident investors

You will pay tax on your share of a Fund's income, determined at the end of each financial year. A Fund's income can include capital gains made by the Fund, which may be taxed at a discounted rate.

A Fund may incur foreign withholding tax on its income. These amounts will generally reduce the amount of Australian tax payable on any dividends you receive.

The financial year end for each Fund is 30 June. You will be provided with a tax statement after the end of each financial year during which you are invested. The tax statement will contain information you need for your tax return.

Tax may also be payable on gains made when you sell or redeem your ETF Units. These gains may benefit from discounted tax rates.

### 12.2 TFN/ABN/Exemption

You will be asked to provide your tax file number (**TFN**) or Australian Business Number (**ABN**) or claim an exemption in relation to your 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 claimed, tax will be withheld from any 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.

### 12.3 Taxation of Foreign Investors

Tax may be withheld from your dividends and remitted to the ATO.

### 12.4 The U.S. Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS)

Investments in the Funds may be subject to information collection and reporting for the purposes of compliance with FATCA, the intergovernmental agreement between the US Government and the Australian Government in respect of FATCA (**IGA**) and the Common Reporting Standard (**CRS**).

FATCA is a US law which impacts investors worldwide. FATCA attempts to minimise US income tax avoidance by US persons investing in foreign assets, including through their investments in foreign financial institutions. FATCA requires foreign financial institutions outside the US, including banks and fund managers, to provide information to the US tax authority, the US Internal Revenue Service (**IRS**), regarding their US accounts, including US account holders and US unitholders, or incur 30% withholding tax in the US.

The IGA allows Australian financial institutions to report information to the ATO rather than the IRS. CRS information is also reported to the ATO. Each Fund is registered for FATCA purposes and will comply with both the FATCA requirements and the CRS requirements.

# 13 Other information you need to know

## 13.1 Responsible Entity's powers and duties

The powers and duties of the Responsible Entity are determined by the Constitution for each Fund, the *Corporations Act* and general trust law.

The duties of the RE in relation to each Fund under the *Corporations Act* include:

- act honestly;
- exercise the degree of care and diligence that a reasonable person would exercise if they were in the RE's position;
- act in the best interests of Unitholders and, if there is a conflict between their interests and the RE's interests, give priority to Unitholders' interests;
- ensure that property in the Fund is clearly identified as property of the Fund and held separately from property of the RE, property of the Custodian and property of any other fund, except as permitted by the *Corporations Act*;
- ensure that the assets in the Fund are valued at regular intervals;
- ensure that payments out of the Fund's property are made in accordance with the Constitution and the *Corporations Act*; and
- 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:

- manage income and monitor the expenses of each Fund and arrange for payments to creditors of the Fund;
- determine and arrange payment of dividends in respect of each Fund and administer dividend and taxation statements and notifications;
- process and administer creation and redemption transactions in relation to each Fund;
- 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 each Fund;
- address and respond to investor and Unitholder enquiries, complaints and notification requirements;
- co-ordinate Unitholder updates and reports, resolutions and Unitholder meetings and attend to issues in relation to the Constitutions as appropriate;

- prepare, maintain and implement policies in respect of the operation of each Fund including a compliance plan, proxy voting policy and DRP Rules; and
- market and promote each Fund, providing information and support as appropriate to Authorised Participants, Market Makers and Brokers.

## 13.2 The Constitution

The RE'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, the RE has all the powers of a natural person, corporation, trustee or responsible entity in respect of the operation of a Fund. The Constitution gives the RE the right to be paid fees and expenses from a 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 a 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:

### 13.2.1 Power to issue ETF Units to CDI Holders

Under the Constitution, the RE has the power to issue ETF Units to CDI Holders in exchange for their CDIs in the Underlying Funds ('the Reorganisation'). CDI Holders who accept the offer appoint the RE as their attorney and agent to do all things necessary to implement the Reorganisation on their behalf. The RE is entitled to be indemnified out of the assets of the Fund for any liability incurred in relation to the Reorganisation to the same extent set out in 13.2.7. The RE is not liable in contract, tort or otherwise to Unitholders for any loss suffered in any way relating to or resulting from the RE doing or refraining from doing any act pursuant to or in connection with the Reorganisation or its implementation, except to the extent that the *Corporations Act* imposes such liability.

### 13.2.2 Beneficial interest

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



### **13.2.3 Reimbursement of expenses**

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

### **13.2.4 Retirement of Responsible Entity**

Generally, the RE may retire as responsible entity of a Fund by calling a meeting of that Fund's Unitholders to enable them to vote on a resolution to choose a company to be the new responsible entity. The RE 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*. The RE may retire or be removed as Responsible Entity in certain other circumstances prescribed under the *Corporations Act*.

### **13.2.5 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.

### **13.2.6 Meeting of Unitholders**

The RE 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 a 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.

### **13.2.7 RE's Limitation of liability and indemnity**

In general, the RE may act in good faith on the opinion of, advice of and information obtained from, advisers and experts. The RE is indemnified

out of the assets of a 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 that 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 the RE, 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 a Fund. The RE's liability to any person in respect of a Fund is limited to our actual indemnification from the assets of that Fund for that liability.

### **13.2.8 Borrowings**

Under the Constitution, the RE has the power to enter into borrowing arrangements on behalf of a Fund and grant security over the assets in that 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 Funds. See 9.4.2.

### **13.2.9 Amendments to the Constitution**

The RE may amend the Constitution from time to time, subject to the provisions of the Constitution and the *Corporations Act*. Generally, the RE 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.

### **13.2.10 Termination of a Fund**

The RE may wind up a 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.

### **13.2.11 Compulsory redemption of ETF Units**

In certain circumstances under the Constitution, the RE 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 a 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).

### **13.2.12 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 a Fund directly. However, the Constitution of each 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 the RE 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.

## OTHER INFORMATION

### 13.3 Compliance plan

The RE has lodged a compliance plan for each 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 the RE's compliance with the compliance plan is independently audited, as required by the *Corporations Act* and the auditor must not be the auditor of a Fund's financial statements but may be from the same firm. The auditor's report is lodged with ASIC.

### 13.4 Compliance committee

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

### 13.5 Settlement via CHESS

All transactions by ASX Investors will be settled via CHESS 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.

### 13.6 Market Maker

Under the AQUA Rules, the RE is required to facilitate an orderly and liquid market in the Funds. To do this we may appoint more than one Market Maker 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.

### 13.7 Related party contracts

The RE has arrangements in place with related parties within the VanEck group of companies, including Van Eck Associates Corporation, the global parent company and US Adviser to the Underlying Funds, and VanEck Australia Pty Ltd 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 arms' length commercial terms and in accordance with VanEck's conflicts of interest policy.

### 13.8 Index Providers

VanEck has obtained a license to use the Reference Indices from the Index Providers. See section 7.3 for more details. The Index Providers have given and as at the date of this PDS have not withdrawn their consent to the statements in section 7 of this PDS.

### 13.9 Custodian and Fund Administrator

The RE has appointed State Street Australia Limited as the Custodian and Fund Administrator of the Funds. State Street has not been involved in any way in the preparation of this PDS and is named only for information purposes.

### 13.10 Registrar

The RE has appointed Link Market Services Limited ('Link') as Registrar to maintain Unitholder records such as 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 Funds. Link has not authorised or caused the issue of and expressly disclaims and takes no responsibility for any part of this PDS.

### 13.11 Continuous disclosure

The RE will comply with the continuous disclosure obligations in the *Corporations Act* as if each Fund is an unlisted disclosing entity. Copies of documents lodged with ASIC in relation to a Fund may be obtained from, or inspected at, an ASIC office. The continuous disclosure obligations require us to make certain information available to Unitholders.

### 13.12 Annual report

A copy of the annual financial report, the annual directors' report and the auditor's report on the annual financial report for each Fund will be made available at [www.vaneck.com.au](http://www.vaneck.com.au) following the reports being filed with ASIC.

### 13.13 Interest on cash held in a Fund

In circumstances where a Fund holds cash, any interest earned on those amounts will be retained for the benefit of all Unitholders in that Fund. For example, a 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 a Fund immediately pending the payment of a dividend. Any interest earned on such cash will be retained by the Registrar.

### 13.14 Investor identification and verification

The RE 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.

Please contact us to obtain a copy of the investor identification form which sets out further details of the information and identification that is required. Failure to provide all the information requested may cause your application to be delayed or rejected. We do not accept any liability for any loss you may incur (whether by delay in acceptance of an application, transaction processing or otherwise), arising from the application of our ID Procedures.

### 13.15 Complaints

The RE has arrangements in place for handling complaints. If you have a complaint regarding a 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](mailto: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 resolve 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](http://www.afca.org.au)

Email: [info@afca.org.au](mailto:info@afca.org.au)

Phone: 1800 931 678 (free call)

Mail: GPO Box 3 Melbourne VIC 3001

### 13.16 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 a Fund.

The RE 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 to open a Broker account and invest, your investment application 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*.

VanEck may be required to disclose some or all of your personal information, for certain purposes to:

- o 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 Funds 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 apply for ETF Units, you agree to be contacted for these purposes.

The third parties to whom we may disclose your personal information (listed in the bullet points above) 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](mailto: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](http://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

### **13.17 ASIC Relief**

#### **13.17.1 Exemption – Unequal treatment in withdrawal from an AQUA exchange traded 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 a Fund to Authorised Participants.

For the purposes of this relief, except in exceptional circumstances, only Authorised Participants may withdraw from a 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 that 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.

#### **13.17.2 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 a 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 Funds which, at the date of this PDS, employ investment strategies, the implementation of which would not be likely to lead to the scheme property of the Funds 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 strategies for the Funds is to make investments that are expected to result in the value of a 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 Funds.

#### **13.17.3 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 a 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 a 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](http://www.vaneck.com.au)

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

#### **13.17.4 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 a 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.

#### **13.17.5 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 each Fund were an unlisted disclosing entity. The Responsible Entity will comply with the continuous disclosure requirements of the *Corporations Act* as if each Fund were an unlisted disclosing entity.

# Glossary

The following words when used in the PDS have the corresponding meanings set out below:

TERM	MEANING
<b>AP Procedures</b>	The procedures for transacting with the RE in relation to the Fund as agreed in writing with Authorised Participants from time to time.
<b>Application Form</b>	The application form for use by Authorised Participants to request creations and redemptions of ETF Units attached to the AP Procedures or available by phoning +61 2 8038 3317.
<b>AQUA Rules</b>	Schedule 10A of the ASX Operating Rules and related rules and procedures, as amended, varied or waived from time to time.
<b>A-shares</b>	Domestic shares of mainland China based companies denominated in Renminbi (RMB) and traded on the Shanghai and Shenzhen stock exchanges.
<b>ASIC</b>	The Australian Securities and Investments Commission
<b>ASX</b>	The Australian Securities Exchange operated by ASX Limited.
<b>ASX Investors</b>	Unitholders who acquire ETF Units on ASX.
<b>ASX Rules</b>	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.
<b>ASX Trading Day</b>	A day that ASX is open for trading.
<b>ATO</b>	The Australian Taxation Office
<b>AUSTRAC</b>	The Australian Transaction Reports and Analysis Centre
<b>Authorised Participant or 'AP'</b>	Unless otherwise agreed with the RE, a person who is a 'Trading Participant' as that term is defined in the ASX Operating Rules or has engaged a Trading Participant to act on its behalf to acquire and dispose of interests in the Fund and who has entered into an agreement with the RE.
<b>Broker</b>	Online broker, stockbroker or financial adviser
<b>Business Day</b>	Means a day that is not a Saturday, Sunday or public holiday in Australia, or such other day or days determined by the RE.
<b>CDIs</b>	CHESS depositary interests over shares in the Underlying Funds
<b>CDI Holders</b>	Holders of CDIs who accept an offer from the RE to exchange their CDIs for ETF Units in the corresponding Fund prior to the commencement of trading of the Fund on ASX.
<b>CETF</b>	The ASX trading code for the VanEck Vectors China CSI 300 ETF
<b>CHESS</b>	The Clearing House Electronic Sub-register System owned and operated by ASX Settlements Pty Limited, a subsidiary of ASX Limited.
<b>China</b>	The People's Republic of China
<b>Constitution</b>	The trust deed registered with ASIC establishing the managed investment scheme underlying the Fund, as varied or replaced from time to time.
<b>Corporations Act</b>	The <i>Corporations Act 2001 (Cth)</i>
<b>Creation Unit</b>	The minimum number of ETF Units that must be applied for in the Fund by an Authorised Participant in an application for a creation of ETF Units as specified in the table in section 10.4.
<b>CSI</b>	China Securities Index Co., Ltd, the Index Provider for CETF
<b>Custodian</b>	State Street Australia Limited ABN 21 002 965 200

<b>Dividend Reinvestment Plan or 'DRP'</b>	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.
<b>DRP Rules</b>	The rules relating to a Unitholder's participation in the DRP a copy of which are available at <a href="http://www.vaneck.com.au">www.vaneck.com.au</a> .
<b>ETF</b>	Abbreviation for 'Exchange Traded Fund'.
<b>ETF Units</b>	Interests issued by the Responsible Entity in the Fund pursuant to this PDS, the Fund's Constitution and the Corporations Act.
<b>Exchange Traded Fund</b>	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.
<b>Foreign Investor</b>	A person who is not an Australian resident for income tax purposes.
<b>Fund</b>	Individually VanEck Vectors China CSI 300 ETF, VanEck Vectors Gold Miners ETF and VanEck Vectors Morningstar Wide Moat ETF, and collectively ' <b>the Funds</b> '
<b>Fund Administrator</b>	State Street Australia Limited ABN 21 002 965 200
<b>Fund Net Asset Value</b>	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.
<b>GDX</b>	The ASX trading code for the VanEck Vectors Gold Miners ETF.
<b>IDI</b>	ICE Data Indices, LLC, the Index Provider for GDX
<b>Index Provider</b>	The institution that publishes the Reference Index for a Fund. For more information see sections 3 and 7.
<b>Market Capitalisation</b>	The total value of the issued shares of a publicly traded company. It equals the share price times the number of shares on issue.
<b>Market Maker</b>	An institution appointed by the RE to assist it in maintaining liquidity of trading of the ETF Units on ASX. A Market Maker may also be an Authorised Participant. For more information see section 6.
<b>MOAT</b>	The ASX trading code for the VanEck Vectors Morningstar Wide Moat ETF.
<b>Morningstar</b>	Morningstar, Inc, the Index Provider for MOAT
<b>NAV</b>	See Unit Price
<b>Non-Standard Transaction</b>	A creation or redemption by an AP other than a Standard Basket Transaction.
<b>PDS</b>	This product disclosure statement.
<b>Redemption Unit</b>	The minimum number of ETF Units that must be redeemed by an Authorised Participant in the event of a redemption. See sections 3 and 6.
<b>Reference Index or Index</b>	The underlying financial market index that a Fund aims to track. For more information see sections 3 and 7.
<b>Registrar</b>	Link Market Services Limited ABN 54 083 214 537
<b>Responsible Entity or 'RE'</b>	VanEck Investments Limited, ABN 22 146 596 116 AFSL 41 6755, based in Sydney
<b>SEC</b>	The US Securities and Exchange Commission
<b>Standard Basket</b>	The parcel of US ETF securities, being shares in the Underlying Fund or other international equities required for a Standard Basket Transaction comprising underlying securities in the Reference Index and any other securities determined by the RE as necessary to achieve the Fund's investment objective.
<b>Standard Basket Transaction</b>	A creation/redemption for a whole number multiple of Creation Units/ Redemption Units where the consideration is paid by way of <i>in specie</i> transfer of Underlying Fund shares or other underlying securities constituting the Standard Basket plus or minus a residual cash amount.
<b>Trust</b>	VanEck Vectors ETF Trust – the issuer of shares in the Underlying Funds based in the US. See section 2.3 for details.

<b>Underlying Fund</b>	The United States domiciled ETF in which a Fund primarily invests. See section 3.
<b>Unit Price or NAV</b>	The Fund Net Asset Value divided by the number of ETF Units outstanding.
<b>Unitholder</b>	The person named as the holder of ETF Units in the Fund as recorded in the register maintained by the Registrar.
<b>US Adviser</b>	Van Eck Associates Corporation, VanEck's parent company based in New York. See section 2.2 for more information.
<b>VanEck</b>	A collective term to describe the entities within the VanEck group of companies that are involved in the operation of the Funds and Underlying Funds.

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