

# VanEck Vectors MSCI International Sustainable Equity ETF

ARSN 623 953 177 | ASX code: ESGI

## Supplementary Product Disclosure Statement

Dated: 28 May 2018

This supplementary product disclosure statement ("SPDS") is issued by VanEck Investments Limited ACN 146 596 116 AFSL No 416755 ("VanEck") as responsible entity of VanEck Vectors MSCI International Sustainable Equity ETF ARSN 623 953 177 ("the Fund") and is supplemental to the Fund's product disclosure statement dated 9 February 2018. The PDS and this SPDS should be read together.

A copy of this SPDS has been lodged with the Australian Securities and Investments Commission and ASX Limited on 28 May 2018. The Fund is able to be traded on ASX. Neither ASIC nor ASX takes any responsibility for the contents of this SPDS.

Terms defined in the PDS have the same meaning when used in this SPDS.

The purpose of this SPDS is to update the PDS for changes to the Reference Index methodology published by MSCI on 16 May 2018 related to the exclusion of companies with exposure to fossil fuels, effective as of the rebalance on 31 May 2018. As a result of MSCI's changes to the Reference Index methodology, the information in the PDS is updated as set out in this SPDS **with effect from 1 June 2018**.

*Section 3 - Summary of the Fund - Investment purpose* on page 5 of the PDS and *Section 8 Reference Index - Overview/objective* on page 14 of the PDS are updated by deleting the following statement:

1. **Exclusion** of companies that own fossil fuel reserves for energy purposes

and substituting the following statement:

1. **Exclusion** of companies that own any fossil fuel reserves or derive revenue from mining thermal coal or from oil and gas related activities.

*Section 8 - Reference Index - Summary of Index Methodology* on page 14 of the PDS is updated by deleting the following statement:

1. **Fossil fuels exclusion**

Companies that have proved & probable coal reserves and/or oil and natural gas reserves used for energy purposes are excluded.

and substituting the following information:

1. **Fossil fuels exclusion**

Companies, whose activities meet the following criteria as determined by MSCI ESG Research, are excluded from the Reference Index:

- o All companies with evidence of owning fossil fuel reserves regardless of their industries, including companies that own less than 50% of a reserves field;
- o All companies that derive a part of their revenue (either reported or estimated) from the mining of thermal coal (including lignite, bituminous, anthracite and steam coal) and its sale to external parties
- o All companies that derive a part of their revenue (either reported or estimated), from oil and gas related activities, including distribution / retail, equipment and services, extraction and production, petrochemicals, pipelines and transportation and refining but excluding biofuel production and sales and trading activities



For more information see:

[https://www.msci.com/eqb/methodology/meth\\_docs/MSCI\\_World\\_ex\\_Aus\\_ex\\_FF\\_Select\\_SRI\\_Low\\_Carbon\\_Capped\\_Index\\_May2018.pdf](https://www.msci.com/eqb/methodology/meth_docs/MSCI_World_ex_Aus_ex_FF_Select_SRI_Low_Carbon_Capped_Index_May2018.pdf)

### General advice warning

This is general information only and not financial advice. It does not take into account any person's individual objectives, financial situation or needs. Before making an investment decision in relation to the Fund, you should read the PDS and with the assistance of a financial adviser consider if it is appropriate for your circumstances. The PDS is available at [www.vaneck.com.au](http://www.vaneck.com.au) or by calling 1300 68 38 37. The Fund is subject to investment risk, including possible loss of capital invested. ESGI invests in international markets. An investment in ESGI has specific and heightened risks that are in addition to the typical risks associated with investing in the Australian market. Section 9 of the PDS contains all relevant information of the key risks associated with the Fund. These include currency risks from foreign exchange fluctuations, ASX trading time differences and changes in foreign laws and regulations including taxation. Past performance is not a reliable indicator of future performance. No member of the VanEck group of companies gives any guarantee or assurance as to the repayment of capital, the payment of income, the performance, or any particular rate of return from the Fund. The Fund is indexed to a MSCI index. The Fund is not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to the Fund or the MSCI Index. The PDS contains a more detailed description of the limited relationship MSCI has with VanEck and the Fund.

## Contact us

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# VanEck Vectors MSCI International Sustainable Equity ETF

ASX code: ESGI

ARSN: 623 953 177

## Product Disclosure Statement

Issued by VanEck Investments Limited

ABN 22 146 596 116 AFSL No 416755

Dated: 9 February 2018

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# Section 1

## Important information before you start

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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 VanEck Vectors MSCI International Sustainable Equity ETF ('the Fund'). The Fund is a registered managed investment scheme having ARSN 623 953 177. A class of units in the Fund ('ETF Units') is expected to be admitted to quotation and trading as an Exchange Traded Fund ('ETF') on the Australian Securities Exchange. ETF Units may also be traded on the licensed financial market operated by Chi-X Australia Pty Ltd ('Chi-X'). For ease, references in this PDS are only to 'ASX'.

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

A copy of this PDS has been lodged with the Australian Securities and Investments Commission (ASIC) 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 the Fund to be admitted to trading status on ASX under the AQUA Rules as an ETF. As at the date of this PDS, Units in the Fund ('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 lodgement of this PDS with ASIC, subject to possible extension by ASIC for a further seven days.

### Authorised Participants

The offer of ETF Units in this PDS is only for professional or institutional investors in Australia, the European Economic Area, Hong Kong, Japan or Singapore who have entered into an Authorised Participant Agreement with VanEck ('Authorised Participants' or 'APs'). APs may acquire ETF Units directly from VanEck by submitting an application for a creation, or by investing on ASX. APs may acquire ETF Units on ASX or directly from VanEck by submitting an application for a creation (see section 11).

### ASX Investors

Investors may purchase ETF Units on ASX, like purchasing shares in a listed company ('ASX Investors') 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 (or eligible) to submit an application under this PDS.

### 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, the Fund only has a single class of units, being the ETF class. Under the Fund's constitution ('Constitution'), VanEck 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, VanEck 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 page. If we issue a supplementary or replacement PDS, in addition to updating the documents on our website we will make an announcement on ASX. A paper copy of this PDS and any updated information will be provided free of charge on request by contacting us at 1300 68 38 37.

### General advice warning

This PDS contains general information only and is not financial advice. It is not a recommendation by us or any other person to invest in the Fund. The information does not take into account the individual investment objectives, financial situation or needs of any person. Before making an investment decision, you should consider (in consultation with a financial adviser) if the decision is appropriate for your personal financial situation, needs and objectives.

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

### Foreign Investors

Professional and institutional investors located in the European Economic Area, Hong Kong, Japan or Singapore, may act as Authorised Participants subject to the warnings set out in the *Notice to Foreign APs* available at [www.vaneck.com.au/library/regulatory-documents/](http://www.vaneck.com.au/library/regulatory-documents/). 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.

# Section 2

## About VanEck®

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### 2.1 VanEck Investments Limited

#### - the Responsible Entity

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

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

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

### 2.2 VanEck Vectors® ETFs

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

As at 31 December 2017 VanEck's family of ETPs totalled over \$44 billion in assets under management, making it one of the largest ETP families worldwide.

### 2.3 Founded in 1955

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

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

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

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

As at 31 December 2017, VanEck managed over \$57 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).

# Section 3

## Summary of the Fund

| VanEck Vectors MSCI International Sustainable Equity ETF  |  |                        | For more information |                        |  |   |          |               |
|---|--|------------------------|----------------------|------------------------|--|---|----------|---------------|
| <b>Responsible Entity</b>                                 | VanEck Investments Limited ABN 22 146 596 116 AFSL No 416755   |                        | Section 1            |                        |  |   |          |               |
| <b>Type of investment:<br/>Exchange-traded fund (ETF)</b> | <p>An ETF is an open-ended fund that aims to track the performance, before fees and other costs, of a financial market index by investing in a portfolio of securities that constitute the index.</p> <p>Units in an ETF are traded on ASX. As such, an ETF gives investors easy access and cost effective exposure to the portfolio of securities held by the ETF, via a single trade on ASX.</p>   |                        | Sections 4, 5, 6     |                        |  |   |          |               |
| <b>Investment purpose</b>                                 | <table border="1"> <thead> <tr> <th>Fund</th> <th>Purpose</th> </tr> </thead> <tbody> <tr> <td>ESGI</td> <td> <p>The Fund gives investors access to the performance of a diversified portfolio of sustainable international listed companies that have high environmental, social and governance (<b>ESG</b>) performance by applying the following screens to companies in the MSCI World ex Australia Index:</p> <ol style="list-style-type: none"> <li><b>Exclusion</b> of companies that own fossil fuel reserves for energy purposes;</li> <li><b>Exclusion</b> of companies whose business activities are not socially responsible investments (<b>SRI</b>) including: alcohol, gambling, tobacco, military weapons, civilian firearms, nuclear power, adult entertainment and genetically modified organisms;</li> <li><b>Inclusion</b> of high ESG performers; and</li> <li><b>Exclusion</b> of high carbon emitters.</li> </ol> </td> </tr> </tbody> </table> | Fund                   | Purpose              | ESGI                   | <p>The Fund gives investors access to the performance of a diversified portfolio of sustainable international listed companies that have high environmental, social and governance (<b>ESG</b>) performance by applying the following screens to companies in the MSCI World ex Australia Index:</p> <ol style="list-style-type: none"> <li><b>Exclusion</b> of companies that own fossil fuel reserves for energy purposes;</li> <li><b>Exclusion</b> of companies whose business activities are not socially responsible investments (<b>SRI</b>) including: alcohol, gambling, tobacco, military weapons, civilian firearms, nuclear power, adult entertainment and genetically modified organisms;</li> <li><b>Inclusion</b> of high ESG performers; and</li> <li><b>Exclusion</b> of high carbon emitters.</li> </ol> | Sections 7, 8   |          |               |
| Fund  | Purpose  |                        |                      |                        |  |   |          |               |
| ESGI  | <p>The Fund gives investors access to the performance of a diversified portfolio of sustainable international listed companies that have high environmental, social and governance (<b>ESG</b>) performance by applying the following screens to companies in the MSCI World ex Australia Index:</p> <ol style="list-style-type: none"> <li><b>Exclusion</b> of companies that own fossil fuel reserves for energy purposes;</li> <li><b>Exclusion</b> of companies whose business activities are not socially responsible investments (<b>SRI</b>) including: alcohol, gambling, tobacco, military weapons, civilian firearms, nuclear power, adult entertainment and genetically modified organisms;</li> <li><b>Inclusion</b> of high ESG performers; and</li> <li><b>Exclusion</b> of high carbon emitters.</li> </ol>   |                        |                      |                        |  |   |          |               |
| <b>Investment objective</b>                               | The Fund aims to provide investment returns before fees and other costs which track the performance of its Reference Index in Australian dollars.  |                        | Section 6            |                        |  |   |          |               |
| <b>Reference Index</b>                                    | <table border="1"> <thead> <tr> <th>Fund</th> <th>Reference Index</th> <th>Bloomberg index ticker</th> </tr> </thead> <tbody> <tr> <td>ESGI</td> <td>MSCI World ex Australia ex Fossil Fuel Select SRI and Low Carbon Capped Index</td> <td>NA716517</td> </tr> </tbody> </table>  | Fund                   | Reference Index      | Bloomberg index ticker | ESGI   | MSCI World ex Australia ex Fossil Fuel Select SRI and Low Carbon Capped Index | NA716517 | Sections 7, 8 |
| Fund  | Reference Index  | Bloomberg index ticker |                      |                        |  |   |          |               |
| ESGI  | MSCI World ex Australia ex Fossil Fuel Select SRI and Low Carbon Capped Index  | NA716517               |                      |                        |  |   |          |               |
| <b>Investment strategy</b>                                | The Fund employs a passive management strategy of investing directly in the securities that comprise the Reference Index.  |                        | Sections 7, 8        |                        |  |   |          |               |
| <b>Benefits</b>   | <p>The Fund provides investors with:</p> <ul style="list-style-type: none"> <li>cost effective and easy access to a diversified portfolio of international listed equities via a single trade on ASX</li> <li>transparency of holdings, pricing and performance</li> <li>flexibility of intraday ASX trading capability, and</li> <li>less paperwork than investing directly in international securities.</li> </ul> <p>Compared to unlisted actively managed funds, investors benefit from: trading via live prices on ASX; potentially lower costs and lower tax liabilities; liquidity; transparency and intraday trading.</p>  |                        | Section 4            |                        |  |   |          |               |
| <b>Risks</b>  | An investment in the Fund is subject to various risks which may have the effect of reducing the value of the Fund, resulting in a loss of your capital invested and a lack of income from the Fund. You should carefully consider the risks before deciding to invest.   |                        | Section 9            |                        |  |   |          |               |

| Investing in the Fund                                |   |   |   |
|--|---|---|---|
| All investors  |   |   |   |
| <b>Unit Price or 'NAV'</b>                           | The Unit Price or NAV of the Fund is calculated as the Fund Net Asset Value divided by the number of ETF Units on issue. It is calculated daily once all markets are closed for that day based on the closing price of the securities on the relevant foreign stock exchange. It is then converted to Australian dollars based on the relevant London WM Reuters 4pm exchange rate and will be available at <a href="http://www.vaneck.com.au">www.vaneck.com.au</a> the next Business Day.                         |   | Section 11                                  |
| Authorised Participants – transacting under this PDS |   |   |   |
| <b>Transacting with VanEck by APs</b>                | Authorised Participants must enter into an AP Agreement with VanEck and submit written applications for creations or redemptions of ETF Units.  |   | Section 11                                  |
| <b>Price paid by APs</b>                             | Authorised Participants transact with VanEck for creations or redemptions of ETF Units at the Fund's NAV calculated following the close of trading for that day, plus or minus fees and other costs.  |   |   |
| <b>Cutoff time for APs</b>                           | 2pm on each ASX Trading Day.  |   |   |
| <b>Creations</b>                                     | ETF Units can only be created in multiples of Creation Units for the Fund, unless we agree otherwise.<br>Payment for a creation must generally be made by the Authorised Participant in the form of a specified parcel of quoted securities ( <b>Standard Basket</b> ) transferred through CHESS plus or minus a residual cash amount ( <b>Standard Basket Transaction</b> ). If we agree, payment may also be made by: (i) cash, or (ii) a combination of securities and cash ( <b>Non-Standard Transaction</b> ). |   |   |
| <b>Redemptions</b>                                   | ETF Units can only be redeemed in multiples of Redemption Units, unless we agree otherwise.<br>Payment of redemption proceeds will primarily be in the form of a Standard Basket Transaction. If we agree, the redemption proceeds may also be paid by a Non-Standard Transaction.  |   |   |
| <b>APs minimum transaction size</b>                  | Unless we agree otherwise in advance, the minimum number of ETF Units for a creation (one Creation Unit) and a redemption (one Redemption Unit) are as follows:   |   |   |
|  | <b>Fund</b>   | <b>No. of ETF Units per Creation Unit</b> | <b>No. of ETF Units per Redemption Unit</b> |
|  | ESGI  | 100,000                                   | 100,000                                     |
| Investing in the Fund via ASX – ASX Investors        |   |   |   |
| <b>Buying/selling ETF Units on ASX</b>               | ASX Investors may buy and sell ETF Units in the Fund on ASX through their Broker just like trading shares in listed companies. A Market Maker is engaged to facilitate liquidity for trading in ETF Units on ASX. There is no minimum trade size on ASX. You should check with your Broker.   |   | Sections 4, 5                               |
| <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.  |   | Sections 4, 5                               |
| <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.   |   |   |



| Fees and other costs   |   |  |            |
|--|---|--|------------|
| All investors  |   |  | Section 10 |
| Management costs   | Fund  | Management costs   |            |
|  | ESGI  | 0.55 % p.a.  |            |
| Management costs are inclusive of GST and RITC and may be negotiated by wholesale clients. |   |  |            |
| Transactional and operational costs  | Additional costs relating to trading in the portfolios and associated operational activities will also apply – see section 10.3.  |  |            |
| Authorised Participants only – also pay  |   |  |            |
| Transaction fees for creations and redemptions   | Fund  | Contribution fees / withdrawal fees (excl GST) per transaction |            |
|  | ESGI  | \$3,400  |            |
| Contribution and withdrawal fees may be negotiated and may change without notice.          |   |  |            |
| Additional costs for cash transactions   | The estimated additional transactional and operational costs incurred by the Fund in relation to cash transactions are charged to Authorised Participants as a buy/sell spread on creations and redemptions or recovered from APs by way of a true up following settlement.               |  |            |
| Dividends  |   |  |            |
| Frequency  | Fund  | Frequency  | Section 12 |
|  | ESGI  | Annually   |            |
| Dividend Reinvestment Plan   | A Dividend Reinvestment Plan (DRP) is available subject to the DRP Rules. Dividends will be paid as cash to your nominated bank account unless you contact the Registrar and elect to have dividends reinvested. Your dividends will then appear as additional ETF Units in your account. |  |            |

| Additional information |   |  |  |
|------------------------|---|--|--|
| Website                | <p>The following information is available at <a href="http://www.vaneck.com.au">www.vaneck.com.au</a>:</p> <ul style="list-style-type: none"> <li>o Fund Net Asset Value;</li> <li>o Unit Price;</li> <li>o 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 Unit Pricing Policy;</li> <li>o information about any dividends;</li> <li>o any announcements lodged with the ASX Market Announcements Platform (including continuous disclosure notices and 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> |  |  |
| Statements             | <p>The following statements will be provided to investors:</p> <ul style="list-style-type: none"> <li>o holding statement – for any transactions made during the month;</li> <li>o annual tax statement – after 30 June each year; and</li> <li>o periodic statement showing your transactions and investments in the Fund – sent annually and following your exit from the Fund.</li> </ul>  |  |  |

# Section 4

## The AQUA Rules

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### 4.1 The AQUA Rules

ETF Units in the Fund is 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, the Fund is expected to remain liquid. For more information see section 5.

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

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

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

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

The following table highlights the key differences between the ASX Listing Rules and the AQUA Rules.

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

| ASX Listing Rules   | AQUA Rules  |
|---|---|
| <b>Continuous disclosure</b>  |   |
| Issuers are subject to the continuous disclosure requirements under Listing Rule 3.1 and section 674 of the <i>Corporations Act</i> .   | AQUA product issuers are not subject to the continuous disclosure requirements under Listing Rule 3.1 and section 674 of the <i>Corporations Act</i> (because the underlying instruments are) but must disclose via the ASX Market Announcements Platform: <ul style="list-style-type: none"> <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> |
| <b>Periodic disclosure</b>  |   |
| Issuers are required to disclose their half-yearly and annual financial information or annual reports to ASX under Chapter 4 of the Listing Rules   | AQUA product issuers are currently not required to disclose their half-yearly and annual financial information or annual reports to ASX, however, as the Responsible Entity of the Fund which 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> .  |
| <b>Corporate control</b>  |   |
| Requirements in the <i>Corporations Act</i> and the Listing Rules in relation to matters such as takeover bids, share buy-backs, change of capital, new issues, restricted securities, disclosure of directors' interests and substantial shareholdings, apply to companies and listed schemes. | These requirements do not apply to AQUA product issuers. Section 601FM of the <i>Corporations Act</i> continues to apply to the removal or change of the responsible entity. An extraordinary resolution would be required to change the Responsible Entity. An extraordinary resolution is a resolution supported by a majority of the total votes that may be cast by the Fund's members entitled to vote on the resolution.  |
| <b>Related party transactions</b>   |   |
| Chapter 10 of the Listing Rules, which relates to transactions between an entity and persons in a position to influence the entity, specifies controls over related party transactions.   | Chapter 10 of the Listing Rules does not apply to AQUA products. Products quoted under the AQUA Rules which are registered managed investment schemes remain subject to the related party requirements in Part 5C.7 and Chapter 2E of the <i>Corporations Act</i> .   |
| <b>Auditor rotation obligations</b>   |   |
| There are specific requirements in relation to auditor rotation under Part 2M.4 Division 5 of the <i>Corporations Act</i> .   | These requirements do not apply to AQUA product issuers. Responsible entities of registered managed investment schemes will continue to be required to 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).  |
| <b>Disclosure documentation</b>   |   |
| Entities admitted under the Listing Rules are subject to the requirements of the <i>Corporations Act</i> in relation to the issue of a prospectus or PDS.   | Products admitted to trading under the AQUA Rules will also be subject to these requirements of the <i>Corporations Act</i> .   |

Source: ASX Rules Framework

# Section 5

## Benefits of the Fund

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### 5.1 International sustainable strategy in a single trade on ASX

In a single trade on ASX, the Fund gives investors access to the performance of a diversified portfolio of sustainable international listed securities selected from the MSCI World ex Australia Index, that have high environmental, social and governance (ESG) performance.

For more information on the Fund's Reference Index methodology see section 8.

### 5.2 Exchange Traded Fund

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

When you invest in the Fund, you gain access to a portfolio of investments, constructed using professional skills and knowledge that you may not have access to if you invest on your own.

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

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

### 5.3 Access to international equities via ASX

Investing in international equities via an Australian ETF simplifies your administration and reporting and eliminates foreign paperwork.

Investors also benefit from the other advantages of ASX traded ETFs, including the ability to transact during Australian market hours and settle payments in Australian dollars.

### 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 10 for more information.

### 5.5 Diversification with a single trade

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

### 5.6 Liquidity

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

### 5.7 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

The Fund provide investors with transparency in respect of portfolio holdings which are published daily at [www.vaneck.com.au](http://www.vaneck.com.au).

### 5.9 Tax advantages

In contrast to an unlisted actively managed fund, the turnover of the underlying portfolio in the Fund, which is an index-tracking fund, is generally low, reducing the level of capital gains and associated capital gains tax payable by you.

Withholding tax on any dividends from underlying securities arises at the Fund level and not the investor level. This means you do not have to complete foreign forms in order to get the benefit of reduced withholding tax rates. VanEck arranges for the completion of all necessary paperwork for the Fund.

Capital gains tax may be paid to Authorised Participants when they redeem, which reduces the tax burden on the remaining Unitholders. Unlisted managed funds typically do not do this.

For more information on dividends and tax, see sections 12 and 13.

# Section 6

## How the Fund works

### 6.1 Registered managed investment scheme

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

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

### 6.2 Primary and secondary markets

Large numbers of ETF Units are first issued by VanEck in the '**primary market**' to institutional investors (Authorised Participants) in exchange for a specified basket of international securities, or cash with which we buy securities, determined in accordance with the Fund's investment strategy. The securities become the assets of the Fund designed to meet the Fund's investment objective.

Once ETF Units have been received by the AP (in exchange for securities and/or cash), the ETF Units are made available for trading on the '**secondary market**', i.e. on ASX.

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

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

### 6.3 Rights of a Unitholder

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

### 6.4 Roles and responsibilities

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

| Role                          | Responsibility  |
|-------------------------------|---|
| <b>Responsible Entity</b>     | Issues the ETF Units and this PDS and is responsible for operating the Fund.  |
| <b>Investment manager</b>     | Manages the investment portfolio of the Fund in line with the Fund's investment strategy. At the date of this PDS, the investment manager is VanEck.  |
| <b>Custodian</b>              | Holds the assets of the Fund for safe-keeping on behalf of the Responsible Entity and Unitholders. Assets are segregated from the Custodian assets or any other funds' assets.  |
| <b>Fund Administrator</b>     | Processes creations, redemptions and other requests from Unitholders and maintains the books and records of the Fund, including: fund accounting; calculating Unit Prices and taxation.   |
| <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 Responsible Entity.   |
| <b>Authorised Participant</b> | Transacts directly with the Responsible Entity to create (or redeem) ETF Units (primary market) to match demand from ASX Investors. In some cases also act as a Market Maker.   |
| <b>Market Maker</b>           | Subject to certain conditions, provides liquidity and 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 Authorised Participant in the primary market and then quotes the ETF Units on ASX for sale to ASX Investors. |
| <b>Proxy voting agent</b>     | Specialist provider engaged by the Responsible Entity to conduct in-depth company research including ESG considerations and vote based on specified guidelines in the best interests of preserving shareholder value, as well as reporting and recordkeeping.   |

## Section 7

# Investment objective, strategy and performance of the Fund

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### 7.1 Investment objective of the Fund

The Fund aims to provide investment returns before fees and other costs which track the performance of its Reference Index in Australian dollars. The Fund does not aim to perfectly replicate its Reference Index on a one-to-one basis for a number of reasons, including:

- o differences in the timing of dividends and corporate actions between the Reference Index and the Fund;
- o the Fund may not be able to achieve the same trading price for securities as that determined for the Reference Index;
- o there are fees and other costs applicable to operating the Fund which do not apply to the Reference Index (see section 10);
- o international withholding tax rates applied to the Reference Index may differ to those applicable to the Fund;
- o the Fund will only hold securities that are listed on exchanges approved by ASX under the AQUA Rules;
- o we may allow individual security weightings to vary marginally from the Reference Index and may invest in securities that are not in the Reference Index. See section 7.2; and
- o the Fund may hold a small amount of cash.

### 7.2 Investment strategy of the Fund

#### 7.2.1 *Passive physical replication*

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

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

#### 7.2.2. *Futures*

Futures traded on a licensed exchange may be used by the Fund in extraordinary circumstances to gain market exposure without investing directly in underlying securities in the Reference Index, or for the purpose of short term management of certain cash flows with the intention of reducing tracking error risk. This allows VanEck to maintain the Fund's liquidity without being under-invested. Importantly, derivatives are not used in the Fund for speculation or to leverage the Fund's portfolio. For more information see sections 9.2.6 'Tracking error risk' and 9.2.11 'Derivatives risk'.

### 7.3 Performance information

Up to date performance information for the Fund and historical performance relative to the Reference Index is published at [www.vaneck.com.au](http://www.vaneck.com.au). The performance of the Fund will differ from that of its Reference Index. For more information see sections 7.1 and 9.2.6.

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

### 7.4 Borrowing arrangements

VanEck may maintain borrowing arrangements on behalf of the Fund with the intention of reducing tracking error risk. For more information see sections 9.2.6, 10.3.2 and 14.2.7.

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

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

**7.5 Changes to the Fund's investment objective and strategy**

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

**7.6 Environmental, social and ethical considerations**

The Fund aims to track the performance of the Reference Index. The Reference Index takes into account environmental, social and ethical considerations (which may include labour standards) in its selection process and eligibility criteria, as detailed in section 8.

**7.7 Proxy voting**

We intend to vote all proxies in accordance with the best interests of Unitholders without influence by real or apparent conflicts of interest. To assist in our responsibility for voting proxies and the overall voting process, we have engaged a third party proxy voting specialist.

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

**7.8 Securities lending**

The Fund will not engage in securities lending.

# Section 8

## Reference Index

| Reference Index or 'Index'   | MSCI World ex Australia ex Fossil Fuel Select SRI and Low Carbon Capped Index   |
|------------------------------|---|
| Bloomberg index ticker       | NA716517  |
| Index Provider               | MSCI Inc. ('MSCI'). MSCI is not a related body corporate of VanEck.   |
| Overview/objective           | <p>The Reference Index aims to represent the performance of a diversified portfolio of international companies that have high Environmental, Social and Governance (ESG) performance by applying the following negative and positive screens:</p> <ol style="list-style-type: none"> <li>1. <b>Exclusion</b> of companies that own fossil fuel reserves for energy purposes;</li> <li>2. <b>Exclusion</b> of companies whose business activities are not socially responsible investments (SRI);</li> <li>3. <b>Inclusion</b> of high ESG performers; and</li> <li>4. <b>Exclusion</b> of high carbon emitters.</li> </ol> <p>The Index aims to achieve diversification by capping the maximum weight assigned to each security, thereby avoiding concentration risk.</p>   |
| Summary of Index methodology | <p>A four step process is followed to determine the Reference Index from the eligible universe which is the securities in the MSCI World ex Australia Index (<b>Parent Index</b>).</p> <ol style="list-style-type: none"> <li>1. <b>Fossil fuels exclusion</b><br/>Companies that have proved &amp; probable coal reserves and/or oil and natural gas reserves used for energy purposes are excluded.</li> <li>2. <b>Screening of SRI and ESG companies</b><br/>From the securities remaining after step 1, those whose businesses are involved in or exposed to the following activities are excluded: <ul style="list-style-type: none"> <li>o Alcohol</li> <li>o Gambling</li> <li>o Tobacco</li> <li>o Military weapons</li> <li>o Civilian firearms</li> <li>o Nuclear power</li> <li>o Adult entertainment</li> <li>o Genetically modified organisms</li> </ul> <p>MSCI ESG Research data is then used to determine which of the remaining securities are to be included in the Reference Index representing 15% of the Free Float Market Capitalisation in each GICS® sector from step 1.</p> </li> <li>3. <b>Applying the carbon emitter screen</b><br/>The remaining companies from step 2 are then ranked by carbon emission intensity and the top 20% by number are excluded from the Reference Index. The cumulative weight of securities excluded from any GICS sector is capped at 30% of the weight of the sectors from step 2. Securities are also excluded until the cumulative potential carbon emissions of the excluded companies reaches 50% of the sum of the potential carbon emissions of the constituents remaining from step 2.</li> <li>4. <b>Component weighting and capping</b><br/>The remaining securities are then weighted by their Free Float Market Capitalisation subject to a 5% weighting cap.</li> </ol> |



|                         |   |
|-------------------------|---|
| <b>Rebalances</b>       | The Reference Index is rebalanced quarterly, usually as of the close of the last business day in February, May, August, and November.   |
| <b>More information</b> | More detailed information in relation to MSCI's process can be found at <a href="https://www.msci.com/eqb/methodology/meth_docs/MSCI_World_ex_Australia_ex_Fossil_Fuel_Select_SRI_and_Low_Carbon_Capped_Index.pdf">https://www.msci.com/eqb/methodology/meth_docs/MSCI_World_ex_Australia_ex_Fossil_Fuel_Select_SRI_and_Low_Carbon_Capped_Index.pdf</a> |

### MSCI – the Index Provider

The Reference Index is published by MSCI Inc. ('MSCI'). MSCI is a leading provider of investment decision products and services - including indices, portfolio risk and performance analytics, and governance tools - to around 7,500 clients worldwide, headquartered in New York, NY, United States. The Index Provider does not sponsor, endorse, or promote the Fund and bears no liability with respect to the Fund or any security.

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# Section 9

## Risks

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### 9.1 What is risk?

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

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

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

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

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

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

### 9.2 Risks associated with the Fund

Investing in international markets has specific risks which are in addition to the typical risks associated with investing in the Australian market. Investors in the Fund must be willing to accept a high degree of volatility in the performance of the Fund.

### 9.2.1 Market risk

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

### 9.2.2 Security specific risk

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

### 9.2.3 Currency risk

This is the risk that unfavourable fluctuations in the value of the Australian dollar relative to other currencies will adversely affect the value of the Fund measured in Australian dollars, due to the Fund being invested in underlying securities based in those foreign currencies. A rise in the value of the Australian dollar relative to foreign currencies could decrease the value of the ETF Units.

The Fund does not hedge its exposure to foreign currencies. Investments in ESGI are subject to currency risk and the value of the Fund may decrease because of unfavourable changes in currency exchange rates.

The Fund's assets are concentrated in securities listed in the European Economic Area and the United States. As a result the Fund has a greater

exposure to the Euro and the US Dollar than to other currencies.

#### **9.2.4 Dividend risk**

This is the risk that dividends will not be paid. See section 12 for more information.

#### **9.2.5 Concentration risk**

The Fund's assets are concentrated in ESG/SRI rated securities listed in the European Economic Area and the United States. There is a risk that at times, such sectors, economic areas and countries may underperform other areas, countries and sectors, causing a greater impact on the value of the ETF Units than would be the case if the Fund was more broadly diversified.

#### **9.2.6 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 difference between the performance of the Fund and the performance of the Reference Index is dependent on a number of factors including: the extent to which the Fund replicates the Reference Index, fees and other costs, asset valuations and corporate actions. The Fund may hold cash from time to time pending investment in line with the Reference Index. As a result there will be times when we are unable to fully replicate the Reference Index and the Fund will hold a sub-set of the Reference Index components in order to track the Reference Index as closely as possible. See section 7.1 for more information.

#### **9.2.7 Trading risk**

Secondary market trading of the ETF Units on ASX may be suspended by the ASX or halted by us because of market conditions or other reasons, for example a failure by the Market Maker to make a market. In these circumstances, ASX Investors will be unable to buy or sell ETF Units and the processing of application for creations and redemptions for Authorised Participants may be suspended or modified.

#### **9.2.8 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.

#### **9.2.9 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 10.3.1 for more information). A Market Maker retains for its own account any trading profits and bears any losses generated by its market making activities.

#### **9.2.10 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.

#### **9.2.11 Derivatives risk**

Exchange-traded futures, a form of derivative, may be used by the Fund as described in section 7.2.2. 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 9.2.18 '*Counterparty risk*' 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.

#### **9.2.12 Fund risk**

This is the risk that investing via the Fund may result in reduced performance compared to investing in the underlying securities directly because of: the fees and costs involved in investing in the Fund; the

income or capital gains accrued in the Fund; and the consequences of creations and redemptions by Authorised Participants. In addition, there is a risk that the fees and costs applicable to the Fund could change, the Responsible Entity or other parties could change and the Fund could terminate.

#### **9.2.13 Index risk**

There is a risk that the Reference Index ceases to be available for use by the Fund, resulting in the Fund not being able to achieve its stated investment objective. If this was to occur, VanEck will seek to track an alternative index that provides a substantially similar exposure as that of the Reference Index. In the event that an alternative index cannot be secured, there is a risk that the Fund could be terminated. For more information see sections 7.1 'Investment objective of the Fund' and 9.2.6 'Tracking error risk'.

#### **9.2.14 Operational risk**

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

#### **9.2.15 Force majeure**

This is the risk that circumstances beyond our reasonable control may impact on the operation, administration and performance of the Fund. For example: strikes, industrial disputes, failure of a securities exchange, fires or other casualty, war,

civil disturbance, terrorist acts, governmental pre-emption in connection with an emergency of state and epidemics.

#### **9.2.16 Regulatory and tax risk**

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

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

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

#### **9.2.17 Settlement risk**

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

#### **9.2.18 Counterparty risk**

This is the risk that the Funds' trading counterparties become insolvent or cannot otherwise meet their obligations to the Fund. The Fund may be exposed to counterparty risk through the use of futures. For more information see sections 7.2.2 and 9.2.11.

# Section 10

## 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 13.

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

10.1 Fees and costs for ASX Investors

| TYPE OF FEE OR COST <sup>1</sup>   | AMOUNT            | HOW AND WHEN PAID  |
|--|-------------------|--|
| <b>Fees when your money moves in or out of the Fund</b>                                      |                   |  |
| <b>Establishment fee:</b><br>The fee to open your investment                                 | Nil               | Not applicable   |
| <b>Contribution fee:</b><br>The fee on each amount contributed to your investment            | Nil               | Not applicable   |
| <b>Withdrawal fee<sup>2</sup>:</b><br>The fee on each amount you take out of your investment | Nil <sup>2</sup>  | Not applicable   |
| <b>Exit fee:</b><br>The fee to close your investment   | Nil               | Not applicable   |
| <b>Management costs<sup>3</sup></b>  |                   |  |
| The fees and costs for managing your investment  |                   | Management fees are calculated and accrued daily on the Fund Net Asset Value and reflected in the daily Unit Price of the Fund and payable to us from the assets of the Fund on a monthly basis on or about the first Business Day of the following month. Management fees may be negotiated by wholesale clients. |
| <b>ESGI</b><br>Management fee<br>Indirect costs  | 0.55% p.a.<br>Nil |  |
| <b>Service fees</b>  |                   |  |
| <b>Switching fee:</b><br>The fee for changing investment options                             | Nil               | Not applicable   |

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

**Example of annual fees and costs for ASX Investors**

This table gives an example of how the fees and costs for the **VanEck Vectors MSCI International Sustainable Equity ETF** can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

| EXAMPLE: VANECK VECTORS MSCI INTERNATIONAL SUSTAINABLE EQUITY 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                                      | 0.55% p.a. <sup>1</sup> | <b>And</b> , for every \$50,000 you have in the Fund you will be charged \$275 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 from:<br><b>\$275 to \$302.50<sup>1,2</sup></b><br><b>What it costs you will depend on the fees you negotiate.</b> |

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

## 10.2 Fees and costs for Authorised Participants

| VANECK VECTORS MSCI INTERNATIONAL SUSTAINABLE EQUITY ETF   |            |   |
|--|------------|---|
| TYPE OF FEE OR COST <sup>1</sup>   | AMOUNT     | HOW AND WHEN PAID   |
| <b>Fees when your money moves in or out of the Fund</b>  |            |   |
| <b>Establishment fee:</b><br>The fee to open your investment                                     | Nil        | Not applicable  |
| <b>Contribution fee:</b> <sup>2,3</sup><br>The fee on each amount contributed to your investment | \$3,400    | Payable only by Authorised Participants per creation at the time of application for the creation of ETF Units by a Standard Basket Transaction. The amount of these costs may be negotiated.  |
| <b>Withdrawal fee:</b> <sup>2,3</sup><br>The fee on each amount you take out of your investment  | \$3,400    | Payable only by Authorised Participants per redemption at the time of application for the redemption of ETF Units by a Standard Basket Transaction. The amount of these costs may be negotiated.  |
| <b>Exit fee:</b><br>The fee to close your investment   | Nil        | Not applicable  |
| <b>Management costs</b> <sup>3</sup>   |            |   |
| The fees and costs for managing your investment:<br>Management costs                             | 0.55% p.a. | The management fee is calculated and accrued daily on the Fund Net Asset Value and reflected in the daily Unit Price of the Fund. Payable from the assets of the Fund on a monthly basis on or about the first Business Day of the following month. The management fee may be negotiated. |
| Indirect costs   | Nil        |   |
| <b>Service fees</b>  |            |   |
| <b>Investment switching fee:</b><br>The fee for changing investment options                      | Nil        | Not applicable  |

1 All fees and costs are inclusive of GST and net of any RITC. Other fees and costs may apply. See section 10.3 'Additional explanation of fees and costs' for more information.

2 Additional transactional costs will apply to Non-Standard Transactions as agreed with us from time to time. See section 10.3.2 for more information.

3 See section 10.3 'Additional explanation of fees and costs' for more information.

### 10.3 Additional explanation of fees and costs

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

#### 10.3.1 Management costs

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

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

The management fees stated in 10.1 and 10.2 are charged to Unitholders as an 'all in' fee for normal recoverable expenses. It does not include transactional and operational costs (10.3.2), Broker fees (10.3.4) or abnormal expenses (10.3.5).

VanEck pays the ongoing recoverable expenses associated with the management and

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

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

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

### 10.3.2 Transactional and operational costs

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

Transactional and operational costs are incurred in relation to trading in the portfolios and associated operational activities required by the Fund. They include but are not limited to:

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

#### **Costs on creations and redemptions**

VanEck uses its best efforts to recover the transactional and operational costs associated with creations and redemptions of ETF Units by Authorised Participants from the APs. Any shortfall is an additional indirect cost to Unitholders. These costs are paid out of the assets of the Fund and reflected in the Unit Price as and when they arise. We expect over a 12 month period any shortfall will be zero or not material for the reasons set out below.

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

- o a buy/sell spread covering an estimate of the costs included with the transaction, which we notify to APs electronically from time to time. The actual costs may differ from our estimate. Any shortfall is borne by the Fund and any excess is retained by the

Fund. We expect these amounts to net off over a 12 month period; or

- o an invoice for the actual costs incurred equal to the difference between: the price at which the Fund purchases (on a creation) or sells (on a redemption) relevant securities; and the value of those securities used in the relevant Unit Price; plus any other costs incurred by the Fund in connection with the transaction.

#### **Other transactional and operational costs**

The remaining transactional and operational costs incurred in association with trading activity in the Fund's portfolio with the aim of achieving its 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.

Based on the information available at the date of this PDS, we estimate that the transactional and operational costs incurred by Unitholders in the Fund for the current financial year (2017-18) annualised, will be as follows:

| Fund | Transactional and operational costs p.a | Cost per \$50,000 p.a. |
|------|---|------------------------|
| ESGI | 0.09 %                                  | \$45                   |

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

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

### 10.3.4 Broker fees

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

ASX Investors will also incur customary brokerage fees when buying and selling ETF Units on ASX. You should discuss these fees with your Broker prior to investing.

Brokerage is also incurred by all investors as part of ongoing transactional and operational costs of the Fund. See section 10.3.2.



### 10.3.5 Abnormal expenses

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

### 10.3.6 Notification of changes to fees

We may vary fees or introduce new fees without investor consent up to the maximums described in the Fund Constitution. Under the 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 (contribution and withdrawal fees): Up to \$10,000 per creation or redemption.

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

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

### 10.3.7 Related party payments

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

### 10.3.8 Commissions and other benefits received

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

# Section 11

## Transacting with VanEck

### IMPORTANT NOTICE

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

#### 11.1 For APs prior to transacting

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

#### 11.2 Applications by Authorised Participants

Unless we agree otherwise, applications for creations and redemptions of ETF Units may only be made by Authorised Participants by completing the Application Form and delivering it to us by 2pm 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.

#### 11.3 Standard Basket Transactions

Applications for creations or redemptions of ETF Units will generally only be made by way of Standard Basket Transactions.

A Standard Basket Transaction is an *in specie* transfer of the Standard Basket plus or minus any balancing cash payment, in exchange for ETF Units. The Standard Basket is available on request.

A Standard Basket for the Fund consists of securities in the Reference Index and any other securities determined by VanEck as necessary to achieve the Fund's investment objective.

#### 11.4 Minimum transaction size for APs

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

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

#### Minimum transaction sizes for APs

| Fund | One Creation Unit / Redemption Unit (ETF Units) |
|------|---|
| ESGI | 100,000   |

#### 11.5 Settlement via CHES

All applications for creations and redemptions will be settled via CHES in accordance with the ASX Rules and the AP Procedures. Settlement in respect of applications and redemptions generally occurs on the second ASX Trading Day after the effective trade date (T+2) in line with the relevant ASX Rules. This rule also applies to ASX Investors.

#### 11.6 Cooling-off

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

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

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

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

### 11.8 Delay or suspension of creations and redemptions

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

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

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

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

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

### 11.9 Valuations and pricing

#### 11.9.1 Unit Price or NAV

The Unit Price or 'NAV' of the Fund is calculated by dividing the Fund Net Asset Value by the number of ETF Units outstanding at the time of the valuation.

The Fund Net Asset Value is calculated by subtracting the total value of all the liabilities and

provisions of the Fund from the total value of all the assets of the Fund.

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

The NAV is generally calculated daily once all markets are closed for that day based on the closing price of the securities on the relevant foreign stock exchange. It is then converted to Australian dollars based on the relevant London WM Reuters 4pm exchange rate. This means, due to Australia's time zone, that the NAV will not be available at [www.vaneck.com.au](http://www.vaneck.com.au) until the next Business Day.

#### 11.9.2 Creation and redemption prices

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

#### 11.9.3 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.

#### 11.9.4 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.

### 11.10 Unit Pricing Policy

We have a documented Unit Pricing Policy that sets out how we exercise any discretions in relation to the calculation of the Unit Prices for the Fund including: the valuation methodology, the rounding of decimal places, cut-off times for receiving instructions and the frequency of dividends. A copy of the Unit Pricing Policy is available at [www.vaneck.com.au](http://www.vaneck.com.au). We will send you a paper copy of the policy free of charge on request.

# Section 12

## Dividends

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### 12.1 Payment of dividends

You may earn income from the Fund paid in the form of dividends. A dividend may comprise dividends received by the Fund, interest, other income and realised capital gains.

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

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

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

### 12.2 Frequency of dividends

The Fund generally pays dividends annually in July.

We may pay more or fewer dividends at our discretion. Payments are usually made within 21 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.

### 12.3 Transactions prior to the end of a period

The amount of a dividend depends on the total number of ETF Units outstanding in the Fund at the end of the dividend period. Therefore, for

instance, should the number of ETF Units outstanding increase due to a creation before the end of a dividend period, this may decrease the amount of dividend that might otherwise have been paid by the Fund.

Conversely a decrease in the number of ETF Units outstanding as a result of a redemption prior to the end of a dividend period, may increase the dividend that might otherwise have been paid by the Fund.

### 12.4 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 end 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.

# Section 13

## Tax

### IMPORTANT NOTICE

The Australian tax commentary in this PDS is provided for general information only.

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

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

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

### 13.1 Taxation of Australian resident Investors

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

The 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 the 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 contains 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.

### 13.2 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.

### 13.3 Taxation of Foreign Investors

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

# Section 14

## Other information you need to know

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### 14.1 VanEck's powers and duties as Responsible Entity

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

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

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

We will work with our external service providers to:

- o manage income and monitor the expenses of the Fund and arrange for payments to creditors of the Fund;
- o determine and arrange payment of dividends in respect of the Fund and administer dividend and taxation statements and notifications;
- o process and administer creation and redemption transactions in relation to the Fund;
- o co-ordinate and manage communications with ASX in relation to the ongoing admission to trading status of the ETF Units on ASX and communicate with ASIC and other regulators as appropriate in relation to the Fund;

- o address and respond to investor and Unitholder enquiries, complaints and notification requirements;
- o co-ordinate Unitholder updates and reports, resolutions and Unitholder meetings and attend to issues in relation to the Constitutions as appropriate;
- o prepare, maintain and implement policies in respect of the operation of the Fund including a compliance plan, Unit Pricing Policy, proxy voting policy and DRP Rules; and
- o market and promote the Fund, providing information and support as appropriate to Authorised Participants, Market Makers and Brokers.

### 14.2 The Constitution

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

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

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

#### 14.2.1 Beneficial interest

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

#### **14.2.2 Reimbursement of expenses**

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

#### **14.2.3 Retirement of VanEck as Responsible Entity**

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

#### **14.2.4 Limitation of liability of Unitholders**

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

#### **14.2.5 Meeting of Unitholders**

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

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

value of the total value of all ETF Units held by Unitholders who vote on the resolution. A resolution passed at a meeting of Unitholders held in accordance with the Constitution binds all Unitholders.

#### **14.2.6 Limitation of liability and indemnity of VanEck**

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

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

#### **14.2.7 Borrowings**

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

#### **14.2.8 Amendments to the Constitution**

VanEck may amend the Constitution from time to time, subject to the provisions of the Constitution and the *Corporations Act*. Generally, VanEck can only amend the Constitution where we reasonably consider that the change will not adversely affect the rights of Unitholders. Otherwise the Constitution can only be amended if approved at a meeting of Unitholders by special resolution.

#### **14.2.9 Termination of the Fund**

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

#### **14.2.10 Compulsory redemption of ETF Units**

In certain circumstances under the Constitution,

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

#### **14.2.11 ASX Investor redemptions**

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

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

### **OTHER INFORMATION**

#### **14.3 Compliance plan**

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

#### **14.4 Compliance committee**

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

#### **14.5 Settlement via CHES**

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

#### **14.6 Market Maker**

Under the AQUA Rules, VanEck is required to facilitate an orderly and liquid market in the Fund. 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.

#### **14.7 Related party contracts**

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

#### **14.8 Index Providers**

We have appointed MSCI as the Index Provider for the Fund. Please refer to section 8 for more details about the Reference Index. MSCI has given and as at the date of this PDS has not withdrawn their consent to be named as the Index Provider in this PDS and to the statements in section 8 of this PDS.

#### **14.9 Custodian and Fund Administrator**

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

State Street provides custodial services, including the holding of all assets on behalf of the Fund and certain fund administration services, such as fund accounting and unit pricing, for the Fund. State Street has not been involved in any way in the preparation of this PDS and is named only for information purposes.

#### **14.10 Registrar**

VanEck 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 Fund. Link has not authorised or caused the issue of and expressly disclaims and takes no responsibility for any part of this PDS.

#### 14.11 Continuous disclosure

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

#### 14.12 Annual report

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

#### 14.13 Interest on cash held in the Fund

In circumstances where the Fund holds cash, any interest earned on those amounts will be retained for the benefit of all Unitholders in the Fund. For example, the Fund may hold cash pending the purchase of securities for a cash-only application or payment of cash-only redemption proceeds.

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

#### 14.14 Investor identification and verification

VanEck has 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.

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

Investments in the Fund may be subject to information collection and reporting for the purposes of compliance with FATCA and the intergovernmental agreement between the US Government and the Australian Government in respect of FATCA (IGA).

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.

Australia and the US entered into the IGA in April 2014 which allows Australian financial institutions to report information to the ATO rather than the IRS and generally removes the requirement for FATCA withholding tax to be deducted. The Fund is registered for FATCA purposes and will comply with FATCA requirements.

There are similar information collection and reporting obligations under the CRS in respect of other countries.

#### 14.16 Complaints

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

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

If we are unable to resolve the complaint or you are dissatisfied with the outcome you can contact the Financial Ombudsman Service ('FOS'). FOS is an independent body and is approved by ASIC to consider complaints. In order for a complaint to be considered by FOS, the claim must be less than \$500,000 (unless we and you agree otherwise in writing). FOS is only able to make a determination of up to \$309,000 excluding compensation for costs and interest.

You can contact FOS as follows:

Telephone 1800 367 287 (free call)  
 Facsimile: (03) 9613 6399  
 Email: [info@fos.org.au](mailto:info@fos.org.au)  
 Website: [www.fos.org.au](http://www.fos.org.au)  
 Mail: Financial Ombudsman Service  
 GPO Box 3  
 Melbourne VIC 3001

#### 14.17 Privacy Notice

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

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

If you do not provide the personal information required 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 Fund and certain software providers related to the operational management and settlement of the ETF Units and fraud monitoring.

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

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

This is to keep you informed of VanEck products and services. If you 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 contact the Registrar on 1300 68 38 37, or in writing addressed to: Link Market Services Limited, Locked Bag A14, Sydney South, NSW, 1235, or contact your Broker.

#### 14.18 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.

#### **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.

#### **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.

#### **Dispute resolution process**

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

#### **14.19 ASIC Relief**

##### *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 the Fund to Authorised Participants.

For the purposes of this relief, except in exceptional circumstances, only Authorised Participants may withdraw from the Fund, but other Unitholders may sell their ETF Units on the ASX. However, if ETF Units are suspended from trading on ASX for more than 5 consecutive ASX Trading Days, Unitholders will have a right to withdraw from

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

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

*Declaration – relevant interest in ETF assets*

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

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

For the purposes of this relief, we confirm that the investment strategies for the Fund 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 Fund.

*Declaration – Substantial Interest and Beneficial Tracing*

ASIC has granted Class Order relief under section 673(1) of the *Corporations Act* by notionally inserting section 671AA and modifying sections 671B and 672B of the *Corporations Act* in relation to the substantial holding notice regime in the *Corporations Act* for all AQUA products. Under the relief, an Authorised Participant who holds ETF Units will be taken to have a relevant interest in the underlying securities of the Fund as if the Authorised Participant had made a withdrawal request in relation to all their ETF Units, with the number and classes of underlying securities transferred to the Authorised Participant being

those most recently disclosed by the Responsible Entity to the Authorised Participant in relation to a withdrawal request for an ETF Unit. This relief will not apply to the extent an Authorised Participant actually makes a withdrawal request in respect of ETF Units. The general effect of this relief, provided that certain conditions are met, is that Authorised Participants who hold ETF Units can calculate their relevant interests in the underlying securities of the Fund for the purposes of Chapter 6C of the *Corporations Act* on the basis of the portfolio of securities relevant to a redemption which is published daily at [www.vaneck.com.au](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 Fund pursuant to ASIC's Class Order.

*Periodic Statements*

ASIC has granted relief under sections 1020F(1)(a) and 1020F(1)(c) of the *Corporations Act* so that where the Responsible Entity is not aware of the price at which ETF Units are transferred, periodic statements are not required to disclose amounts paid in relation to a transfer of ETF Units or the return on investment during the reporting period (provided that the return on investment is not able to be calculated by the Responsible Entity and the periodic statement explains why this information is not included and describes how it can be obtained or calculated). The periodic statement will itemise transactions by disclosing the date of transfer and whether the Unitholder acquired or disposed of ETF Units and the number of ETF Units transferred, and will explain why prices of ETF Units for transfers and the total dollar value of transfers have not been included. The periodic statement will also include performance information of the Fund relative to the investment objectives over one and five year periods. The ASIC Class Order relief applies while the relevant ETF Units are able to be traded on ASX.

*Ongoing disclosure relief*

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

# Glossary of terms

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 VanEck 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>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> | 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 VanEck. |
| <b>Broker</b>                         | Online broker, stockbroker or financial adviser   |
| <b>Business Day</b>                   | Means a day that is not a Saturday, Sunday, bank holiday or public holiday in NSW, Australia, or such other day or days determined by VanEck.   |
| <b>CHESS</b>                          | The Clearing House Electronic Sub-register System owned and operated by ASX Settlements Pty Limited, a subsidiary of ASX Limited.   |
| <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 11.4.  |
| <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>ESG</b>                               | Environment, Social and Governance factors taken into account when assessing a company for inclusion in the Reference Index.  |
| <b>ESGI</b>                              | ASX trading code for the Fund.  |
| <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>Free Float Market Capitalisation</b>  | The portion of a company's Market Capitalisation that is freely available for trading in the market.  |
| <b>Fund</b>                              | VanEck Vectors MSCI International Sustainable Equity ETF ARSN 623 953 177   |
| <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>GICS®</b>                             | Global Industry Classification Standard. GICS is an industry taxonomy developed in 1999 by MSCI and Standard & Poor's (S&P) for use by the global financial community.  |
| <b>Index Provider</b>                    | MSCI Inc.   |
| <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 VanEck 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 14.6.               |
| <b>MSCI</b>                              | MSCI Inc, the Index Provider.   |
| <b>NAV</b>                               | See Unit Price  |
| <b>Non-Standard Transaction</b>          | A creation or redemption 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.  |
| <b>Reference Index</b>                   | The underlying index that the Fund aims to track. For more information see sections 7 and 8.  |
| <b>Registrar</b>                         | Link Market Services Limited ABN 54 083 214 537   |
| <b>Responsible Entity</b>                | The entity licensed entity authorised by ASIC to act as the responsible entity of the Fund with responsibility for operating the Fund and the   |

|                                    |  |
|------------------------------------|--|
|                                    | issuer of ETF Units and this PDS. For the life of this PDS this is VanEck Investments Limited ABN 22 146 596 116 AFSL 416755.  |
| <b>SRI</b>                         | 'Socially Responsible Investing' also known as sustainable, socially conscious, or ethical investing, is any investment strategy which seeks to consider both financial return and social good to bring about a social change. SRI factors are taken into account by MSCI when assessing a company for inclusion in the Reference Index. |
| <b>Standard Basket</b>             | The parcel of international equities required for a Standard Basket Transaction comprising underlying securities in the Reference Index and any other securities determined by VanEck 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 securities constituting the Standard Basket plus or minus a residual cash amount.  |
| <b>Unit Price or NAV</b>           | The Fund Net Asset Value divided by the number of ETF Units outstanding.   |
| <b>Unit Pricing Policy</b>         | VanEck's Unit Pricing Discretions Policy that sets out how VanEck exercises any discretions in relation to the calculation of the Unit Prices. Available at <a href="http://www.vaneck.com.au">www.vaneck.com.au</a>   |
| <b>Unitholder</b>                  | The person named as the holder of ETF Units in the Fund as recorded in the register maintained by the Registrar.   |

# Corporate directory

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## Responsible Entity

VanEck Investments Limited  
Aurora Place  
Level 4, 88 Phillip Street  
Sydney, NSW, 2000  
Telephone: 1300 68 38 37  
Website: [www.vaneck.com.au](http://www.vaneck.com.au)

Postal address:  
PO Box R1775  
Royal Exchange, NSW, 1225

## VanEck Capital Markets

8:30 am to 5:30 pm Sydney time  
Monday to Friday  
Telephone: +61 2 8038 3317  
Facsimile: +61 2 8038 3349  
E-mail: [capital.markets@vaneck.com.au](mailto:capital.markets@vaneck.com.au)  
Website: [www.vaneck.com.au](http://www.vaneck.com.au)

## Registrar

Link Market Services  
Locked Bag A14  
Sydney South, NSW, 1235  
Telephone: 1300 68 38 37  
Website: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)  
Email: [vaneck@linkmarketservices.com.au](mailto:vaneck@linkmarketservices.com.au)

## Auditor

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

## Legal Advisers

MinterEllison  
Level 40, Governor Macquarie Tower  
1 Farrer Place  
Sydney, NSW, 2000  
Telephone: (02) 9921 8888

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