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VanEck BDC Income ETF (BIZD) Acquired Fund Fees and Expenses

An SEC rule addressing funds of funds (such as BIZD) adopted in 2006, requires a fund of funds to report a total expense ratio in its prospectus fee table that accounts for both the expenses that a fund pays directly out of its assets (direct expenses), and the expense ratios of the underlying funds, including business development companies (BDCs), in which it invests are called acquired fund fees (AFFEs). AFFEs are indirect expenses. This disclosure is designed to provide investors with a better understanding of the actual costs of investing in a fund that invests in other funds. Accordingly, the prospectus for BIZD discloses its AFFEs which are expected to be 10.75%. However, because these fees are not borne directly by the Fund, they will not be reflected in the expense information in BIZD's financial statements. Information presented in the prospectus table will differ from financial highlights presented in BIZD's reports to shareholders, when available. The direct net expenses that will be borne by BIZD are anticipated to be 0.42%.

What are BDC acquired fund fees and expenses?

BDCs, like all publicly traded companies, have operating expenses, such as payroll and real estate expenses. BDCs report these expenses in their financial statements, which impact the price of their securities. Additionally, many BDCs are externally managed. The external management company typically charges a management fee to the BDC based on total net assets. Some external managers will also charge an incentive fee. These fees are reflected in a BDC's financial statements and also impact the price of their securities.

What is the difference between a direct Fund expense and indirect Fund expense?

Direct Fund Expenses: Expenses and fees, such as management fees and custody fees typically accrue daily and are paid monthly. These expenses are borne directly by the Fund and reduce the Fund's net assets, thus detracting from total return.
Indirect Fund Expenses: AFFEs are not accrued daily, nor are they paid directly from the Fund's net assets. They reflect the Fund's pro rata share of fees and expenses incurred by investing in acquired funds. AFFEs are reflected in the prices of the acquired funds, and thus are included in the total returns of the Fund.

BIZD Expenses Explained[1]
As of September 1, 2023

Fee/Expense Type	Amount	Direct/Indirect
Management Fee	0.40%	Direct Expense
Other Expenses	0.02%	Direct Expense
Acquired Fund Fees and Expenses	10.75%	Indirect Expense
Gross Expense Ratio	11.17%	0.42% Direct Expense, 10.75% Indirect Expense
Fee Waivers and Expense Reimbursement	--	
Net Expense Ratio	11.17%	0.42% Direct Expense, 10.75% Indirect Expense

[1]Van Eck Associates Corporation (the "Adviser") will pay all expenses of the Fund, except for the fee payment under the investment management agreement, acquired fund fees and expenses, interest expense, offering costs, trading expenses, taxes and extraordinary expenses. Notwithstanding the foregoing, the Advisor has agreed to pay the offering costs until September 1, 2024.

Are AFFE reflected in a Fund's financial statements?

No. Because acquired fund fees and expenses are not borne directly by the Fund, they will not be reflected in the expense information in the Fund's financial statements or the Fund's financial highlights included in the Fund's reports to shareholders.

Business Development Companies (BDC) generally invest in less mature U.S. private companies or thinly traded U.S. public companies which involve greater risk than well-established publicly-traded companies. While the BDCs that comprise the Index are expected to generate income in the form of dividends, certain BDCs during certain periods of time may not generate such income. The Fund will indirectly bear its proportionate share of any management fees and other operating expenses incurred by the BDCs and of any performance-based or incentive fees payable by the BDCs in which it invests, in addition to the expenses paid by the Fund. A BDC's incentive fee may be very high, vary from year to year and be payable even if the value of the BDC's portfolio declines in a given time period. Incentive fees may create an incentive for a BDC's manager to make investments that are risky or more speculative than would be the case in the absence of such compensation arrangements, and may also encourage the BDC's manager to use leverage to increase the return on the BDC's investments. The use of leverage by BDCs magnifies gains and losses on amounts invested and increases the risks associated with investing in BDCs. A BDC may make investments with a larger amount of risk of volatility and loss of principal than other investment options and may also be highly speculative and aggressive. The Fund and its affiliates may not own in excess of 25% of a BDC's outstanding voting securities which may limit the Fund's ability to fully replicate its index. An investment in the Fund may be subject to risks which include, among others, investing in BDCs, investment restrictions, financial sector, small- and medium-capitalization companies, equity securities, market, operational, index tracking, authorized participant concentration, no guarantee of active trading market, trading issues, passive management, fund shares trading, premium/discount and liquidity of fund shares, issuer-specific changes, and index-related concentration risks, all of which may adversely affect the fund. Small- and medium-capitalization companies may be subject to elevated risks.

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Investing involves substantial risk and high volatility, including possible loss of principal. Bonds and bond funds will decrease in value as interest rates rise. An investor should consider the investment objective, risks, charges and expenses of the Fund carefully before investing. To obtain a prospectus and summary prospectus, which contains this and other information, call 800.826.2333 or visit vaneck.com. Please read the prospectus and summary prospectus carefully before investing.

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