

Report of the “Réviseur d’entreprises agréé” on the criteria and methods included in the merger proposal dated 31 March 2017 concerning the merger of sub-Funds of Van Eck into sub-Funds of VanEck ICAV on 16 June 2017



Report of the “Réviseur d’entreprises agréé” on the criteria and methods included in the merger proposal dated 31 March 2017 concerning the merger of sub-Funds of Van Eck into sub-Funds of VanEck ICAV on 16 June 2017 (effective date of merger)

To the Shareholders of
Van Eck

1 Introduction

In connection with our appointment by the Board of Directors as “Réviseur d’entreprises agréé” and in accordance with the Law of 17 December 2010 on undertakings for collective investment, we are pleased to submit our report on the criteria and methods included in the merger proposal concerning the merger of sub-Funds of Van Eck (the absorbed sub-Funds) into sub-Funds of VanEck ICAV (the absorbing sub-Funds) foreseen on 16 June 2017 (effective date of merger).

2 Identification of the merger proposal

The merger proposal dated 31 March 2017 and attached to our report has been sent to the “Commission de Surveillance du Secteur Financier” (CSSF). The approval from the CSSF on this merger has been obtained on 11 May 2017.

The absorbed sub-Funds are undertakings for collective investment in transferable securities organised under Part I of the Luxembourg Law of 17 December 2010 on undertakings for collective investment and the absorbing sub-Funds are undertakings for collective investment in transferable securities incorporated in Ireland.

As defined in the merger proposal, the sub-Funds of the absorbed Fund will be merged into the following sub-Funds of the absorbing Fund:

Van Eck

Van Eck – Global Hard Assets UCITS
Van Eck – Global Gold UCITS
Van Eck – Unconstrained Emerging Markets Bond UCITS
Van Eck – Emerging Markets Equity UCITS

VanEck ICAV

VanEck – Global Hard Assets UCITS
VanEck – Global Gold UCITS
VanEck – Unconstrained Emerging Markets Bond UCITS
VanEck – Emerging Markets Equity UCITS

It has to be noted that the following sub-Funds will be created within the absorbing Fund in the context of the merger: (the newly created sub-Fund):

- VanEck – Global Hard Assets UCITS created within the absorbing Fund;
- VanEck – Global Gold UCITS created within the absorbing Fund;
- VanEck – Unconstrained Emerging Markets Bond UCITS created within the absorbing Fund;
- VanEck – Emerging Markets Equity UCITS created within the absorbing Fund.



3 Description of the criteria used to evaluate the assets and liabilities and the method used to calculate the exchange ratios

The assets and liabilities of the absorbed sub-Funds will be evaluated as of the date of the calculation of the exchange ratios.

The valuation of the assets and liabilities transferring from the absorbed sub-funds into the absorbing sub-funds will be carried out on the merger effective date in accordance with the valuation principles disclosed in the articles of incorporation and in the prospectus of both the absorbed Fund and the absorbing Fund.

In exchange of the contribution of all assets and liabilities of the absorbed sub-Funds, the absorbing sub-Funds will issue, without charge, new shares to the shareholders of the absorbed sub-Funds. No cash payment will be made.

The new shares of the absorbing sub-Funds will be issued at the effective date of the merger on the basis of a one to one exchange ratios: shareholders of the absorbed sub-Funds will receive for each share of the absorbed sub-Funds one share of the absorbing sub-Funds.

4 Work performed

In accordance with the law, the merger proposal dated 31 March 2017 is the responsibility of the Boards of Directors of Van Eck and VanEck ICAV.

Our responsibility is to issue, based on our review, a report on the adequacy of the proposed criteria used to evaluate the assets and liabilities and the method used to calculate the exchange ratios.

We conducted our review by analogy with the applicable professional standards in Luxembourg as adopted by the “Institut des Réviseurs d’Entreprises”.

These professional standards require that we plan and perform a review to obtain moderate assurance as to whether the criteria used to evaluate the assets and liabilities and the method used to calculate the exchange ratios are free from material misstatement.

Our review is limited primarily to inquiries of personnel of the service providers and analytical procedures applied to financial data and thus provides less assurance than an audit. We do not perform an audit and, accordingly, we do not express an audit opinion.



5 Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the proposed criteria used to evaluate the assets and liabilities of the absorbed and absorbing Fund and the method to calculate the exchange ratios described in the merger proposal are not adequate in the circumstances.

Our report has been prepared solely for the purpose of complying with the Law of 17 December 2010 on undertakings for collective investment, and it should not be used, mentioned or distributed for any other purposes. It shall be made available on request to the shareholders of the absorbing Fund and to the competent authorities.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 18 May 2017

A handwritten signature in black ink, appearing to read 'Fanny Sergent', with a long horizontal line extending to the right from the end of the signature.

Fanny Sergent

Appendix – Merger Proposal dated 31 March 2017

VAN ECK
Société d'Investissement à Capital Variable (SICAV)
Société anonyme (S.A.)
Registered office: 49, Avenue John F. Kennedy
L-1855 Luxembourg, Grand Duchy of Luxembourg
R.C.S. Luxembourg: B 0171819

VANECK ICAV
Irish Collective Asset-management Vehicle
Registered office: 25/28 North Wall Quay, Dublin 1, Ireland
Registration number: C158225

COMMON DRAFT TERMS OF MERGER

VAN ECK, a Luxembourg open-ended *société d'investissement à capital variable* ("SICAV") registered under the laws of Luxembourg, having its registered office at 49, Avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, Luxembourg Trade and Companies Register number B 0171819 (hereinafter, "**Van Eck**"); and

VANECK ICAV, an open-ended Irish Collective Asset-management Vehicle ("ICAV") registered under the laws of Ireland, having its registered office at 25/28 North Wall Quay, Dublin 1, Ireland, with registration number: C158225 (hereinafter, "**VanEck ICAV**").

HEREBY AGREE ON THE FOLLOWING COMMON DRAFT TERMS OF MERGER:

WHEREAS, Van Eck is a Luxembourg undertaking for collective investment in transferable securities ("UCITS") under Part I of the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended and supplemented from time to time (the "**Luxembourg Law**"), constituted as an umbrella fund with segregated liability between sub-funds and with variable capital, as described in the latest updated version of its prospectus dated February 2016;

WHEREAS, VanEck ICAV is an Irish UCITS under the Irish Collective Asset-management Vehicles Act 2015, as amended and supplemented from time to time (the "**Irish Law**"), constituted as an umbrella fund with segregated liability between sub-funds and with variable capital, as described in the latest updated version of its prospectus dated 26 January 2017;

WHEREAS, Van Eck and VanEck ICAV are both subject to the European Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (the "**UCITS Directive**") and to the other EU Regulations and Directives implementing the UCITS Directive, as amended and supplemented from time to time.

I. SUMMARY AND SCOPE OF THE MERGER

The boards of directors of Van Eck and VanEck ICAV, subject to the approval of the Luxembourg financial supervisory authority, the *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), propose that Van Eck will be merged in its entirety into VanEck ICAV (the "**Merger**").

The following sub-funds of Van Eck will be merged, following the positive vote in that sense of its shareholders, into the corresponding sub-funds of VanEck ICAV:

| Merging Van Eck sub-funds | Receiving VanEck ICAV sub-funds |
|---|--|
| Van Eck – Global Hard Assets UCITS | VanEck – Global Hard Assets UCITS |
| Van Eck – Global Gold UCITS | VanEck – Global Gold UCITS |
| Van Eck – Unconstrained Emerging Markets Bond UCITS | VanEck – Unconstrained Emerging Markets Bond UCITS |
| Van Eck – Emerging Markets Equity UCITS | VanEck – Emerging Markets Equity UCITS |

For the purpose of the Merger, these common draft terms of merger have been drafted in accordance with the applicable provisions under the UCITS Directive, the Luxembourg Law and the Irish Law.

II. TYPE OF MERGER AND EXPECTED IMPACT

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Pursuant to article 26.1.1 of the articles of association of Van Eck, the board of directors of Van Eck may decide to proceed with a merger (within the meaning of the Luxembourg Law) as an absorbed entity into a foreign UCITS and, as appropriate, to redesignate the shares of Van Eck concerned as shares of VanEck ICAV or of the relevant sub-fund thereof, as applicable.

The Merger shall be performed in accordance with articles 65 *et ss.* of the Luxembourg Law and, if approved by the CSSF and by the shareholders of Van Eck, shall have the following key consequences:

- a) Van Eck (the “**Merging Fund**”) shall be dissolved without going into liquidation and its assets and liabilities shall be transferred to VanEck ICAV (the “**Receiving Fund**”);
- b) The assets and liabilities of the sub-funds of the Merging Fund shall be transferred to the related investment sub-funds of the Receiving Fund thereof;
- c) The shareholders of the Merging Fund shall become shareholders of the Receiving Fund.

III. BACKGROUND OF AND RATIONALE FOR THE MERGER

The VanEck Group is currently undertaking a rationalisation of the countries of domicile of its European collective investment undertakings and Ireland has been identified as the optimal domicile for this purpose.

The Merger shall eventually be beneficial for Van Eck’s investors, as it is expected to result in an improved efficiency from an operational, costs and sales standpoint.

For the above reason, the boards of directors of the Merging Fund and of the Receiving Fund believe that the decision to merge Van Eck in its entirety (i.e. all its sub-funds) into VanEck ICAV is in the ultimate interest of the shareholders of the Merging Fund.

The investment objectives, policies and restrictions, the fees and charges structure and the other key features of the sub-funds of the Receiving Fund (as per the prospectus dated 26 January 2017) shall be substantially replicated, in all material aspects, from their equivalent of the sub-funds of the Merging Fund (as per the prospectus dated February 2016).

The differences (if any) between each sub-fund of the Merging Fund and of the Receiving Fund are described in the comparative table enclosed hereto as Appendix 1.

The differences in structure and servicing of the Merging Fund and the Receiving Fund are described in the comparative table enclosed hereto as Appendix 2.

IV. PROPOSED DATE OF THE MERGER

Subject to the approval of the CSSF and of the shareholders, Van Eck expects that the Merger shall take place on 16 June 2017 (the “**Effective Date**”), being understood that the Effective Date shall be determined by the Van Eck’s investors through a general meeting of shareholders and shall depend on the timing of the CSSF approval.

It should be noted that the sub-fund Van Eck – Emerging Market Equity UCITS, being a master UCITS, may not be merged before having duly informed its feeder UCITS and competent authorities of the home Member State of its feeder UCITS (i.e. the CSSF) at least sixty days before the proposed Effective Date.

V. EXCHANGE RATIO AND COSTS

V.1 *Criteria adopted for the valuation of the assets and liabilities*

The valuation of the assets and liabilities transferring from the Merging Fund into the Receiving Fund will be carried out on the Effective Date and in accordance with the valuation principles disclosed in the articles of incorporation and in the prospectus of both Van Eck and VanEck ICAV.

The number of new shares to be issued in the Receiving Fund (the “**New Shares**”) in exchange for the assets of the Merging Fund shall be the number that would, on the Effective Date, have been issued for cash against the payment of a sum equal to the value of the assets being transferred. The exchange ratio used to calculate the number of New Shares to be issued in the Receiving Funds will be at market value.

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The valuation principles applicable to the assets and liabilities of the Merging Fund, as set out in its prospectus, are similar to those of the Receiving Fund and are described in the table enclosed hereto as [Appendix 3](#).

V.2 Calculation method

As from the Effective Date, all the assets and liabilities of the Merging Fund will be transferred to the Receiving Fund.

Shareholders of the Merging Fund who have not redeemed their shares in the Merging Fund will have their shares cancelled and they will receive, in exchange, shares in the corresponding share class of the Receiving Fund (as per the table below) which will be issued without charge, without par value and in registered form.

Shareholders in the Merging Fund will receive New Shares in the Receiving Funds that are as close as practicable in value to their existing shares, i.e. the conversion rate should be 1:1.

The calculation method adopted shall be at market value basis and assets of the Merging Fund will be valued and transferred at market value.

Included here below the list of the share classes of the Merging Fund and of the Receiving Fund.

| Fund | Van Eck (Merging Fund) | VanEck ICAV (Receiving Fund) |
|----------|------------------------------------|-----------------------------------|
| Sub-fund | Van Eck – Global Hard Assets UCITS | VanEck – Global Hard Assets UCITS |
| Share | R1 | R1 |
| | B | --- |
| | I1 | I1 |
| | I2 | I2 |
| | I3 | I3 |
| | I4 | I4 |
| | I5 | I5 (SGD) |
| M | --- | |

| Fund | Van Eck (Merging Fund) | VanEck (Receiving Fund) |
|----------|-----------------------------|----------------------------|
| Sub-fund | Van Eck – Global Gold UCITS | VanEck – Global Gold UCITS |
| Share | R1 | R1 |
| | B | --- |
| | I1 | I1 |
| | I2 | --- |
| | I3 | --- |
| | I4 | --- |
| | I5 | --- |
| M | --- | |

| Fund | Van Eck (Merging Fund) | VanEck ICAV (Receiving Fund) |
|----------|---|--|
| Sub-fund | Van Eck – Unconstrained Emerging Markets Bond UCITS | VanEck – Unconstrained Emerging Markets Bond UCITS |
| Share | R1 | R1 |
| | B | --- |
| | I1 | I1 I1 (EUR Hedged) |
| | I2 | I2 |
| | I3 | --- |
| | I4 | --- |
| M | M | |

| Fund | Van Eck (Merging Fund) | VanEck ICAV (Receiving Fund) |
|----------|---|--|
| Sub-fund | Van Eck – Emerging Markets Equity UCITS | VanEck – Emerging Markets Equity UCITS |
| Share | R1 | R1 |
| | B | B (SEK) |
| | I1 | I1 |

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| | | |
|--|----|-----|
| | I2 | I2 |
| | I3 | --- |
| | I4 | --- |
| | I5 | --- |
| | M | M |

It should be noted that only the share classes of the Merging Fund which are currently active will be merged into the new share classes of the Receiving Fund.

V.3 Rules regarding the transfer of assets and exchange of shares

State Street Custodial Services (Ireland) Limited, as depositary of the Receiving Fund, shall ensure that the transfer of assets and the exchange of shares from the Merging Fund for shares in the Receiving Fund shall be governed by the provisions of the articles of incorporation of VanEck ICAV and shall be consistent with the requirements of the Central Bank of Ireland (the "CBI") and with the Irish Law.

State Street Fund Services (Ireland) Limited, as central administrator of the Receiving Fund, will issue shareholders with a written confirmation of ownership of the New Shares in the Receiving Fund. No initial charge will be applied on the issue of New Shares in the Receiving Fund as part of this process.

V.4 Costs of the Merger and assuming liabilities

The expenses incurred in the Merger, including the legal, audit and regulatory charges will be borne by VanEck Investments Limited or Van Eck Associates Corporation. The outstanding liabilities of the Merging Fund generally comprise fees and expenses due, but not yet paid, as reflected in the net assets of the Merging Fund and will be discharged by the Merging Fund in due course.

The Merging Fund has no outstanding setup costs. All costs in connection with the de-registration of Van Eck in Luxembourg and in the Van Eck's distribution countries will be borne by VanEck Investments Limited or Van Eck Associates Corporation.

The overall fees and charges applicable to the Receiving Fund and to its sub-funds shall remain substantially the same as for the Merging Fund and its sub-funds, as described in the comparative table enclosed hereto as [Appendix 4](#).

VI. REDEMPTION PRIOR TO THE MERGER

The shareholders of Van Eck are offered the possibility to redeem their shares free of charge based on the latest net asset value of the shares, as defined in the prospectus, for a period of at least one (1) month from the date the shareholders are informed on the proposed Merger up to the Effective Date of the Merger.

In order to optimise the operational implementation of the Merger, subscriptions, conversions and/or redemption orders relating to shares of the Merging Fund will be accepted up to 2 p.m. CET on 14 June 2017 (the "Cut-Off Time"). Orders received after the Cut-Off Time will be rejected.

As a consequence thereof, the Merger will be binding for all the shareholders of the Merging Fund who have not exercised their right or requested the redemption of their shares, free of charge by the Cut-Off Time. On the Effective Date, shareholders of the Merging Fund will, therefore, become shareholders of the Receiving Fund.

No subscription fee will be levied within the Receiving Fund as a result of the Merger.

VII. RIGHTS OF THE SHAREHOLDERS

Shares of the Merging Fund will give their holders the same rights as those issued for the Receiving Fund, in particular as to their voting rights and as to their entitlement to benefits.

There might be differences in regulatory requirements with regard to seeking the shareholders' consent for future events in the Receiving Fund, e.g. future mergers of the sub-funds of the Receiving Fund may not require shareholders' consent under the Irish laws and regulations.

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The Merger will have no impact on the Receiving Fund, since, the Receiving Funds have been newly established for the purpose of the Merger and will all be activated on the Effective Date and have no shareholders at the date of these common draft terms of merger. As at the date hereof, the Merging Fund and the Receiving Fund only issue registered shares.

VIII. MERGER DOCUMENTATION

PricewaterhouseCoopers, Société coopérative has been appointed by the board of directors of Van Eck, i.e. the Merging Fund, as the independent auditor in charge of preparing a report validating the Merger information requested under the Luxembourg Law (articles 71 *et seq.*) for the purpose of this Merger. A copy of such report shall be made available, upon request and free of charge, to the shareholders of both the Merging Fund and Receiving Fund, as well as to the CSSF and to the CBI.

The following documents are also made available, free of charge and upon request, to the shareholders of the Merging Fund at the registered office of Van Eck and VanEck ICAV:

1. Common draft terms of merger;
2. Latest prospectus of VanEck ICAV, including the related Supplements for each sub-fund of the Receiving Fund;
3. Latest prospectus of Van Eck;
4. Latest articles of association of Van Eck;
5. Latest instrument of incorporation of VanEck ICAV;
6. Latest Key Investor Information Documents (KIIDs) of VanEck ICAV;
7. Copy of the report prepared by the independent auditor of the Merging Fund, PricewaterhouseCoopers Société Coopérative, to validate the conditions foreseen under the Luxembourg Law (articles 71 *et seq.*);
8. Copy of the statements related to the Merger issued by the depositary banks of Van Eck and VanEck ICAV, State Street Luxembourg S.C.A. and State Street Custodial Services (Ireland) Limited, respectively, in compliance with the Luxembourg Law (articles 67 *et seq.*) and the Irish Law.

An electronic copy of the above documents is also made available at the following web address: www.vaneck.com.

Investors are required to complete the new Irish Application Form prior to the Merger date.

IX. MERGER APPROVAL

Since the Merger is subject to the prior authorisation of the CSSF, as financial supervisory authority of the Merging Fund, these common draft terms of merger, as well as the other documents regarding the Merger, shall be submitted to the CSSF, according to the procedure set out in the Luxembourg Law (articles 67 *et seq.*)

X. TRANSFER OF ACCOUNTS AND AML/KYC CONSIDERATIONS

In connection to the (re)identification procedures of the existing clients of Van Eck by the transfer agent of VanEck ICAV (State Street Fund Services (Ireland) Limited), all AML and KYC documents shall be transferred from Luxembourg to Ireland on the proposed Merger date (16 June 2017) at the latest.

In relation to the treatment of the blocked accounts of Van Eck and their transfer to VanEck ICAV on the proposed Merger date, the existing shareholders of Van Eck will have the possibility, before the Merger, to request the redemption during a one month period of time before the effective Merger Date.

In case of redemption orders before the Merger placed by shareholders whose accounts are currently blocked, may be executed (i.e. said investors shall no longer be shareholder of the Fund) but the redemption amounts shall not be paid out before the shareholder has submitted all outstanding documentation and State Street Bank Luxembourg S.C.A. has completed the AML/KYC identification tasks. State Street Bank Luxembourg S.C.A. (the transfer agent of the Fund) shall unblock the payment only after identification of said shareholders.

As a second step, after the proposed Merger date (16 June 2017) the (remaining) blocked accounts will be transferred to Ireland with the prior approval of the receiving transfer agent (State Street Fund Services (Ireland) Limited) but the transferred accounts shall remain blocked in Ireland.

State Street Fund Services (Ireland) Limited shall complete the related AML/KYC identification tasks before unblocking the aforementioned accounts ensuring that all documentation that have been outstanding under Luxembourg AML Laws and were the reason for the blocking of the accounts have been submitted by the account holders.

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completed the AML/KYC identification tasks. State Street Bank Luxembourg S.C.A. (the transfer agent of the Fund) shall unblock the payment only after identification of said shareholders.

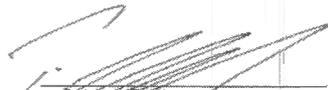
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State Street Fund Services (Ireland) Limited shall complete the related AML/KYC identification tasks before unblocking the aforementioned accounts ensuring that all documentation that have been outstanding under Luxembourg AML Laws and were the reason for the blocking of the accounts have been submitted by the account holders.

Signatures:

Van Eck


By: Willem Eboora
Position: Director
Date: 31.3.2017


By: Philipp Salzeget
Position: Director
Date: 31.3.2017

VanEck ICAV

By:
Position:
Date:

By:
Position:
Date:

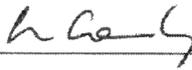
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Signatures:

Van Eck

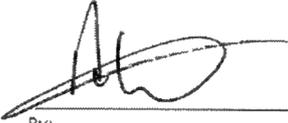
By:
Position:
Date:

VanEck ICAV



By:
Position: **DIRELTOR**
Date: **31/3/2017**

By:
Position:
Date:



By:
Position: **DIRECTOR**
Date: **31/3/2017**