

**VanEck UCITS ETFs plc**

**(an umbrella fund with segregated liability between sub-funds)**

**A company incorporated with limited liability as an open-ended investment company with variable capital under the laws of Ireland with registered number 548554**

**PROSPECTUS**

**CONSOLIDATED PROSPECTUS FOR AUSTRIA**

**The date of this Consolidated Prospectus for Austria is 22 September 2025. This Prospectus is a consolidation of the Prospectus of the Company dated 20 December 2024, related Supplements, Global Addendum and the Additional Information for Investors in Austria. It is exclusively used for offer and distribution of the Shares in the Company in or from Austria. It may not be used for the offer or distribution of the Shares in the Company in any other jurisdiction. If you are in any doubt about the contents of this Prospectus, the risks involved in investing in the Company or the suitability of an investment in the Company you should consult your stock broker or other independent financial adviser. Prices for shares in the Company may fall as well as rise.**

The Directors of VanEck UCITS ETFs plc whose names appear in this Prospectus accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. You are advised to read this Prospectus in conjunction with the Supplements dealing with the relevant Fund(s).

This Prospectus may not be distributed unless accompanied by, and must be read in conjunction with the Supplement for the Shares of the Company being offered.

**Neither the admission of the Shares of a Fund to the Official List and trading on the Regulated Market of Euronext nor the approval of the Prospectus pursuant to the listing requirements of Euronext shall constitute a warranty or representation by Euronext as to the competence of service providers to or any other party connected with the Company, the adequacy of information contained in the listing particulars or the suitability of a Fund for investment purposes.**

**This document contains important information and you are advised to read it carefully before investing. If you have any questions about the content of this Prospectus you are advised to consult your broker, intermediary, bank manager, legal adviser, financial accountant or other independent financial adviser.**

**The authorisation of VanEck UCITS ETFs plc (the Company) by the Central Bank of Ireland (the Central Bank) shall not constitute a warranty as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company.**

The Company is an umbrella investment company with segregated liability between its sub-funds and with variable capital incorporated on 26 August 2014 and is authorised in Ireland as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011) and the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016 as amended and as may be further amended, supplemented or consolidated from time to time. **Such authorisation is not an endorsement or guarantee of the Company or any Fund by the Central Bank, nor is the Central Bank responsible for the contents of this Prospectus.**

**The value of and income from Shares in the Company may go up or down and you may not get back the amount you have invested in the Company.**

**Information applicable to the Company generally is contained in this Prospectus. Shares constituting each Fund offered by the Company are described in the Supplements to this Prospectus. An investment in the Funds of the Company should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors. Prices of Shares in the Company may fall as well as rise.**

Before investing in the Company, you are advised to consider the risks involved in such investment. Please see **Risk Factors** below and where applicable to each Fund in the relevant Supplement.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted. Persons into whose possession this Prospectus comes are required by the Company to inform themselves of and to observe any such restrictions. **This Prospectus may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorised.**

The Company may make application to register and distribute its Shares in jurisdictions outside Ireland. In the event that such registrations take place, local regulations may require the appointment of paying/facilities agents and the maintenance of accounts by such agents through which subscription and redemption monies may be paid. Investors who choose or are obliged under local regulations to pay/receive subscription/redemption monies via an intermediary rather than directly to the Depositary bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Depositary and (b) redemption monies payable by such intermediate entity to the relevant investors.

The Articles give powers to the Directors to impose such restrictions as they think necessary on the holding of Shares by (and consequently to redeem Shares held by), or the transfer of Shares to, (i) any United States Persons or by any person who appears to be in breach of the laws or requirements of any country or government authority or (ii) by any person or persons in circumstances (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the Company or a relevant Fund incurring (a) any liability to taxation or suffering any other pecuniary, regulatory, legal or material administrative disadvantage or (b) being in breach of any law or regulation which the Company or a relevant Fund might not otherwise have incurred, suffered or breached. The Articles also permit the Directors where necessary to redeem and cancel Shares held by a person who is or is deemed to be or is acting on behalf of a person who is, Irish Resident or Ordinarily Resident in Ireland (and not an Exempt Irish Investor) on the occurrence of a chargeable event for Irish taxation purposes. Please refer to the section headed "Taxation".

**Potential subscribers and purchasers of Shares are advised to consult a stockbroker, bank manager, solicitor, accountant or other financial advisor and inform themselves as to (a) the possible tax consequences, (b) the legal requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which they might encounter under the laws of the countries of their incorporation, citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding or disposal of Shares.**

This Prospectus may be translated into other languages. Any such translation shall only contain the same information and have the same meanings as this English language document. Where there is any inconsistency between this English language document and the document in another language, this English language document shall prevail except to the extent (but only to the extent) required by the laws of any jurisdiction where the Shares are sold so that in an action based upon disclosure in a document of a language other than English, the language of the document on which such action is based shall prevail, solely for the purposes of such action. Any disputes as to the terms of the Prospectus, regardless of the language of the Prospectus, shall be governed by and construed in accordance with the laws of Ireland.

Shares are offered only on the basis of the information contained in the current Prospectus and the latest annual report and audited financial statements and any subsequent semi-annual report and unaudited financial statements. These reports will form part of this Prospectus.

Any information given, or representations made, by any dealer, salesman or other person not contained in this Prospectus or in any reports and accounts of the Company forming part hereof must be regarded as unauthorised

and accordingly must not be relied upon. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares shall under any circumstances constitute a representation that the information contained in this Prospectus is correct as of any time subsequent to the date of this Prospectus. To reflect material changes, this Prospectus may from time to time be updated and intending subscribers are advised to enquire of the Administrator as to the issue of any later Prospectus or as to the issue of any reports and accounts of the Company.

The distribution of this Prospectus and the offering or purchase of Shares may be restricted in certain jurisdictions. This Prospectus does not constitute and may not be treated as an offer or solicitation by or to anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares pursuant to this Prospectus to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares are advised to inform themselves as to the legal requirements so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

Distribution of this Prospectus and the relevant Supplement is not authorised in any jurisdiction after publication of the audited annual report of the Company unless a copy of the then latest annual report and, if distributed after the semi-annual report has been produced, a copy of the then latest published semi-annual report and unaudited accounts is made available in conjunction with the Prospectus. Shares are offered only on the basis of the information contained in the Prospectus, the relevant Supplement and, where appropriate, the latest audited annual accounts and any subsequent half-yearly report of the Company. Such reports, this Prospectus and the relevant Supplement together form the prospectus for the issue of Shares in the Company. The latest published annual and half-yearly reports of the Company will be available to prospective investors free of charge at [www.vaneck.com](http://www.vaneck.com).

The Key Investor Information Document of each Fund will be available at the registered office of the Company and will be sent to investors upon request.

The Key Investor Information Documents are available on [www.vaneck.com](http://www.vaneck.com). Before subscribing to any Class and to the extent required by local laws and regulations each investor shall consult the relevant Key Investor Information Documents. The Key Investor Information Documents provide information in particular on historical performance, the synthetic risk and reward indicator and charges relating to each Fund. Investors may download the Key Investor Information Documents on the Website mentioned above or obtain them in paper form or on any other durable medium agreed between the Company or the intermediary and the investor.

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Articles, copies of which are available upon request.

Defined terms used in this Prospectus shall have the meaning attributed to them in Appendix 1.

It is also intended that Shares will be listed and admitted for trading on a number of other stock exchanges but the Company does not warrant or guarantee that such listings will take place or continue to exist. In the event that such listings do take place, the primary listing of the Shares of the Funds will normally be on the London Stock Exchange and any other listings shall be secondary to the listing on the London Stock Exchange.

This Prospectus, including all information required to be disclosed by the Euronext listing requirements, comprises listing particulars for the purpose of the listing of such shares on Euronext.

It is possible that in certain jurisdictions, parties entirely unaffiliated with the Company (and any Fund), the Manager or the Investment Manager, may make the Shares of any Fund(s) available for investment by investors in those jurisdictions through off market trading mechanisms. None of the Company, the Manager, nor the Investment Manager, endorse or promote such activities and are not in any way connected to such parties or these activities and do not accept any liability in relation to their operation and trading.

It is the responsibility of any person wishing to make an application for Shares to inform themselves of, and comply with, all applicable laws and regulatory requirements.

## **MiFID II Product Governance Rules - UCITS as non-complex financial instruments**

Article 25 of MiFID II sets out requirements in relation to the assessment of suitability and appropriateness of financial instruments for clients. Article 25(4) contains rules relating to the selling of financial instruments by a MiFID-authorised firm to clients in an execution only manner. Provided the financial instruments are comprised from the list contained in Article 25(4)(a) (referred to broadly as non-complex financial instruments for these purposes), a MiFID authorised firm selling the instruments will not be required to also conduct what is referred to as an "appropriateness test" on its clients. An appropriateness test would involve requesting information on the client's knowledge and experience on the type of investment offered and, on this basis, assessing whether the investment is appropriate for the client. If the financial instruments fall outside the list contained in Article 25(4)(a) (i.e. are categorised as complex financial instruments), the MiFID-authorised firm selling the instruments will be required to also conduct an appropriateness test on its clients. UCITS (other than structured UCITS) are specifically referenced in the list in Article 25(4)(a). Accordingly, each Fund is deemed to be a non-complex financial instrument for these purposes.

### **United States**

The Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the **1933 Act**) or the laws of any state and may not be directly or indirectly offered or sold in the United States or to any United States Person. Any re-offer or re-sale of any of the Shares in the United States or to United States Persons may constitute a violation of US law. The Shares offered hereby have not been approved or disapproved by the SEC, by the securities regulatory authority of any US state, or by any similar authority of any other country or jurisdiction, and neither the SEC nor any such authority will do so. The offering and sale of the Shares to Non-United States Persons will be exempt from registration pursuant to Regulation S promulgated under the 1933 Act.

The Funds have not been and will not be registered under the United States Investment Company Act of 1940 (as amended) (the **1940 Act**). Shares may not be acquired by a person who is deemed to be a United States Person under the 1940 Act and regulations thereunder or a person who is deemed to be a United States Person under the United States Commodity Exchange Act and regulations thereunder.

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**VanEck UCITS ETFs plc**

33 Sir John Rogerson's Quay  
Dublin 2  
D02 XK09  
Ireland

**MANAGER**

VanEck Asset Management B.V.  
Barbara Strozilaan 310  
1083 HN Amsterdam  
The Netherlands

**INVESTMENT MANAGER**

**(where set out in the Supplement of the relevant Fund)**

Van Eck Associates Corporation  
666 Third Avenue - 9th Floor  
New York  
NY 10017  
USA

**AUDITORS OF THE COMPANY**

KPMG  
1 Stokes Place  
St Stephen's Green  
Dublin 2  
D02 DE03  
Ireland

**IRISH LEGAL ADVISERS TO THE COMPANY**

Dillon Eustace LLP  
33 Sir John Rogerson's Quay  
Dublin 2  
D02 XK09  
Ireland

**DIRECTORS**

Jonathan R. Simon  
Adam Phillips  
Mary Canning  
Jon Lukomnik  
Adrian Waters  
Gijsbert Koning  
Gregory Krenzer

**DEPOSITARY**

State Street Custodial Services (Ireland) Limited  
78 Sir John Rogerson's Quay  
Dublin 2  
D02 HD32  
Ireland

**ADMINISTRATOR AND REGISTRAR**

State Street Fund Services (Ireland) Limited  
78 Sir John Rogerson's Quay  
Dublin 2  
D02 HD32  
Ireland

**SECRETARY TO THE COMPANY**

Tudor Trust Limited  
33 Sir John Rogerson's Quay  
Dublin 2  
D02 XK09  
Ireland

**DISTRIBUTOR**

VanEck (Europe) GmbH  
Kreuznacher Str. 30  
60486 Frankfurt  
Germany

## 2 INTRODUCTION

The Company is structured as an umbrella investment company with variable capital incorporated in Ireland as a public limited company. The Company has been structured as an umbrella fund with segregated liability between sub-funds, in that the Directors may from time to time, with the prior approval of the Central Bank, establish different Funds representing separate portfolios of assets. The assets of each Fund will be invested in accordance with the investment objective and policies applicable to such Fund as disclosed in this Prospectus and the relevant Supplement.

The particulars of each Fund will be set out in a separate supplement to the Prospectus (each a **Supplement**). Any such Supplement shall list all of the existing Funds. Shares of more than one Class may be issued in relation to a Fund. Information contained within the Supplements is selective and should be read in conjunction with this Prospectus. The Central Bank shall be notified and must clear in advance the creation of any new Classes of Shares. On the introduction of any new Class of Shares, the Company will prepare and the Directors will issue documentation setting out the relevant details of each such Class of Shares. A separate portfolio of assets shall be maintained for each Fund and shall be invested in accordance with the investment objective applicable to such Fund.

Shares in any of the Funds may be subscribed for or redeemed in cash and/or on an in specie basis or in a combination of both, further details of which are set out in the section entitled **Applications for Shares**. Shares may also be bought or sold on the secondary market (as described below).

The Company may decline any application for Shares in whole or in part without assigning any reason therefor and will not accept an initial subscription for Shares of any amount which is less than the Minimum Initial Subscription as set forth in the Supplement for the relevant Fund, unless the Minimum Initial Subscription is waived by the Directors.

After the initial issue, Shares will be issued and redeemed at the Net Asset Value per Share plus or minus Duties and Charges (as the case may be). The Net Asset Value of the Shares of each Class and the issue and redemption prices will be calculated in accordance with the provisions summarised in the section entitled **Issue and Redemption Prices/Calculation of Net Asset Value/Valuation of Assets** in this Prospectus.

The Shares of each Fund may be listed on one or more stock exchanges, further details of which will be set out in the relevant Supplement, and are fully transferable to Shareholders. It is envisaged that Shares will be bought and sold by retail and institutional investors and professional traders in the secondary market like the ordinary shares of a listed company. However, the Company cannot guarantee that a liquid secondary market will develop in relation to the Shares of any particular Fund.

Shares in the relevant Fund which are purchased on the secondary market (as further described below) cannot usually be redeemed directly from the Company. Investors normally buy and sell their Shares on the secondary market with the assistance of an intermediary (e.g. a stockbroker or other investment broker) and may incur fees for investing in this manner. In addition, please note that such investors may pay more than the current Net Asset Value per Share when purchasing Shares on the secondary market and may receive less than the current Net Asset Value when selling their shareholding.

Details of Dealing Days in respect of each Fund are set out in the relevant Supplement.

All holders of Shares will be entitled to the benefit of, will be bound by and deemed to have notice of the provisions of the Articles summarised in the section entitled **General Information** in this Prospectus, copies of which are available as detailed in this Prospectus.

Activities which may adversely affect the interests of the Company's Shareholders (for example, activities that disrupt the Company's investment strategies or impact expenses for the Company) are not permitted. The Directors may, in their discretion, if they deem such activities adversely affect the interests of the Company's Shareholders, take action as appropriate to deter such activities.



### 3 DIRECTORS OF THE COMPANY

The Directors of the Company are described below:

#### 3.1 Adam Phillips

Mr Phillips joined VanEck in 2006 as the Director of Strategic Business and Capital Markets Relationships for all Market Vectors Exchange-Traded Funds. He currently serves as Chief Operating Officer of Market Vectors ETFs. Mr Phillips' previous experience includes roles such as Founder and Managing Member of LB Trading, LLC, a proprietary ETF trading firm on the American Stock Exchange and Junior General Partner and Management Committee Member at Orbit II Partners, L.P., a proprietary trading firm specializing in equity options, index options and ETF market making. Mr Phillips was a member of the American Stock Exchange and was an Amex Floor Official. He holds a Bachelor of Arts degree in Economics and American Civilization from Lafayette College.

#### 3.2 Jonathan R. Simon

Mr Simon joined VanEck in 2006. He is Senior Vice President and General Counsel of Van Eck Associates Corporation, Van Eck Securities Corporation and Van Eck Absolute Return Advisers Corporation. He is a director of numerous affiliates of Van Eck Associates Corporation.

Prior to joining VanEck, Mr Simon worked as an associate at Sidley Austin LLP, Carter Ledyard & Milburn LLP and Schulte Roth & Zabel LLP. Mr Simon is a member of the New York State Bar. Mr Simon has a JD from Fordham University School of Law and a BS from Cornell University.

#### 3.3 Jon Lukomnik

Mr Lukomnik, a recognised expert in corporate governance and institutional investing, has extensive business and financial experience, particularly in the investment management industry. He currently serves as Managing Partner of Sinclair Capital LLC, a consulting firm to the investment management industry, he is a former Executive Director of the Investor Responsibility Research Center Institute, a not-for-profit organisation that funds research on corporate responsibility and investing, and he is a trustee of the Van Eck family of mutual funds and investment trusts. From 2009-2011, Mr Lukomnik was the lead consultant for the Global Corporate Governance Forum (World Bank/IFC) Financial Market Recovery Project, which built capacity to train bank directors in emerging markets. From 1998-2000, Mr Lukomnik was Managing Director and Head of Business Development and Strategic Planning at CDC Investment Management Corp. From 1994-1998, Mr Lukomnik was the Deputy Comptroller for Pensions and Asset Management at the City of New York.

In addition, Mr Lukomnik co-founded the International Corporate Governance Network, co-founded GovernanceMetrics International, is a former interim chair of the Executive Committee of the Council of Institutional Investors, and has served on various Boards of Directors and on the official creditors committees in the restructurings of Worldcom and Adelphia. He is co-author of "The New Capitalists", selected as a pick of the year by the Financial Times, and of "What They Do With Your Money". He has also contributed to "Directors and Boards", "Plan Sponsor", "Corporate Governance in the Wake of the Financial Crisis" and a number of academic publications such as the Rotman Journal and the "Journal of Risk Management in Financial Institutions".

Mr Lukomnik was awarded the 2013 International Corporate Governance Network (ICGN) Award for Excellence in Corporate Governance. Mr Lukomnik received a B.A. degree from Columbia University in 1977.

#### 3.4 Mary Canning

Ms. Canning (Irish Resident) is a financial services lawyer and a Non-Executive Director of Irish authorised investment funds. She has a Bachelor of Civil Law (BCL 1984) and a Masters in Commercial Law (LLM 2005) from University College Dublin. She was admitted to practice as a solicitor in Ireland in 1989. From 1988 to

1990, she worked in the New York law firm of De Vos & Co., during which time she was admitted to practice as an attorney in the State of New York. Prior to joining Dillon Eustace in 1992, she worked as an associate in the law firm Cawley Sheerin Wynne. She became a partner in Dillon Eustace in 1992, and worked principally in the financial services department for 10 years. Since 2002, she has worked as a consultant, in Dillon Eustace and in other financial services firms, principally in areas of governance and compliance and in the provision of non-executive directorship services to Irish authorised investment funds.

### 3.5 **Adrian Waters**

Mr. Waters (Irish Resident) is a Fellow of The Institute of Chartered Accountants in Ireland and of The Institute of Directors. He is a Chartered Director (UK Institute of Directors) and he specializes in risk management and governance. He has over 30 years' experience in the funds industry. He is a director of several other investment funds. From 1993 to 2001, he held various executive positions within The BISYS Group, Inc. (now part of the Citi Group), including Chief Executive Officer of BISYS Fund Services (Ireland) Limited and finally as Senior Vice President – Europe for BISYS Investment Services out of London. From 1989 to 1993, he was employed by the Investment Services Group of PricewaterhouseCoopers in New York and prior to that by Oliver Freaney and Company, Chartered Accountants, in Dublin. Mr. Waters holds a Bachelor of Commerce degree and a Post Graduate Diploma in Corporate Governance both received from University College Dublin in 1985 and 2005, respectively. Additionally, in 2013, he has received a Master of Science degree in Risk Management from the Stern Business School at New York University.

### 3.6 **Gijsbert Koning**

Mr. Koning joined VanEck in 2018. He currently serves as Managing Director of VanEck Asset Management B.V. and is responsible for the Portfolio Management and Operations team. Prior to joining VanEck, Mr. Koning worked as a Trader/Partner at Optiver Holding N.V. in Amsterdam and London and as a structurer at Kempen & Co N.V. in the Netherlands. He co-founded Think ETF Asset Management B.V. (now: VanEck Asset Management B.V.) in 2008. He is a director of numerous affiliates of Van Eck Associates Corporation. Mr. Koning received a degree in Financial Economics from VU Amsterdam.

### 3.7 **Gregory Krenzer**

Mr. Gregory Krenzer joined VanEck in 1994 and is currently Head of Active Trading. In 2022, Greg was also named Co-Chief Operating Officer for VanEck's active business, helping oversee daily operations. He serves as Deputy Portfolio Manager for the VanEck CM Commodity Index Strategy and VanEck Morningstar Wide Moat Fund. Mr. Krenzer oversees trading for the VanEck Emerging Markets Equity Strategy, VanEck Global Resources Strategy, VanEck Environmental Sustainability Strategy and VanEck Gold Strategy, specialising in trade construction and execution. Mr. Krenzer has over 25 years of experience investing in commodities, natural resource equities and global fixed income. Mr. Krenzer is a CFA Charterholder and a member of the CFA Society New York. He earned a BS in Finance with a minor in Economics (Beta Gamma Sigma) from Syracuse University."

### 3.8 **No Director has ever:**

- 3.8.1 had any unspent convictions in relation to indictable offences; or
- 3.8.2 been a director of any company or partnership which, while he was a director with an executive function or partner at the time of or within the 12 months preceding such events, been declared bankrupt, went into receivership, liquidation, administration or voluntary arrangements; or
- 3.8.3 been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies); or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of affairs of any company.

For the purposes of this Prospectus, the address of all the Directors is the registered office of the Company.

The Company has delegated the day to day management and running, and, in the case of the Depositary, the custody of the assets of each Fund in accordance with policies approved by the Directors to the Manager, the Distributor, the Administrator and the Investment Manager in respect of each Fund. Consequently, all Directors are non-executive.

#### 4 THE MANAGER

The Manager of the Company is VanEck Asset Management B.V. which is part of the VanEck group of companies. Van Eck Associates Corporation is the parent of the Manager. The Manager has been appointed pursuant to a management and marketing agreement dated 21 December 2020 and is responsible for the day to day management, administration and distribution of the Company but it has delegated investment management of certain sub-funds of the Company and administration responsibilities to the Investment Manager and the Administrator. The Manager was established under Dutch law with registration number 34314095. The Manager is supervised by the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten) (AFM) and the Dutch Central Bank (De Nederlandsche Bank) (DNB).

The Manager was incorporated as a private company with limited liability on 10 October 2008.

The directors of the Manager are Gijsbert Koning and Martijn Rozemuller. The biography for Mr. Rozemuller is set out below:

##### **Martijn Rozemuller**

Mr. Rozemuller joined VanEck in 2018. He currently serves as Managing Director of VanEck Asset Management B.V. and is responsible for the Marketing, Sales, Product Management, Human Resources and the Legal and Compliance Department of the Manager. Prior to joining VanEck, Mr. Rozemuller worked as a Trader/Partner at Optiver Holding N.V. in the Netherlands. He co-founded Think ETF Asset Management B.V. (now: VanEck Asset Management B.V.) in 2008.

The Manager has in place remuneration policies, procedures and practices as required pursuant to the UCITS Directive (the **Remuneration Policy**). The Remuneration Policy is consistent with and promotes sound and effective risk management. It is designed to discourage risk-taking which is inconsistent with the risk profile of the Company and the Funds. The Remuneration Policy applies to staff whose professional activities have a material impact on the risk profile of the Company or the Funds, and ensures that no individual will be involved in determining or approving their own remuneration. The Remuneration Policy will be reviewed annually. Details of the up-to-date remuneration policy are available from [www.vaneck.com](http://www.vaneck.com) and a paper copy of the remuneration policy will be made available to Shareholders free of charge upon request.

#### 5 INVESTMENT MANAGER

The Manager has appointed Van Eck Associates Corporation, incorporated in the United States of America, as discretionary Investment Manager to certain Funds of the Company pursuant to an investment management agreement described in section 39.5.2.

Subject to controls imposed by the Directors under the investment management agreement, all relevant laws and regulations, this Prospectus and the Articles, the Investment Manager has discretion to take day-to-day investment decisions and to deal in investments in relation to the investment management of the relevant Funds of the Company.

Van Eck Associates Corporation is also promoter of the Company.

Van Eck Associates Corporation is regulated by the Securities and Exchange Commission.

As at 30 September 2024 Van Eck Associates Corporation and its affiliates had approximately US\$120 billion in assets under management.

The Company has appointed State Street Custodial Services (Ireland) Limited to act as the depositary of the Company's assets pursuant to the Depositary Agreement. The Depositary is a private limited liability company incorporated in Ireland under the Companies Acts on 22 May 1991 under registration number 174330 and carries on the business of, inter alia, providing trustee, custodial and related services to collective investment schemes and investment funds such as the Company.

The Depositary provides safe custody of the Company's assets which are held under the control of the Depositary. The main activity of the Depositary is to act as trustee and depositary of collective investment schemes such as the Company.

The Depositary is responsible for the safe-keeping of all of the assets of the Company within its custody network. The Depositary is liable to the Company for the loss by the Depositary or a third party to whom the custody of financial instruments that can be held in custody has been delegated. In the case of such a loss of a financial instrument held in custody, the Depositary shall return a financial instrument of identical type or the corresponding amount to the Company or the Investment Manager acting on behalf of the Company without undue delay. The Depositary is not liable if it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary must exercise due care and diligence in the discharge of its duties and will be liable to the Company, and the Shareholders for any loss suffered by them as a result of the Depositary's negligent or intentional failure to fulfil its obligations under the Regulations. In order to discharge its responsibility under the Regulations and CBI UCITS Regulations, the Depositary must exercise care and diligence in choosing and appointing a third party as a safe-keeping agent so as to ensure that the third party has and maintains the expertise, competence and standing appropriate to discharge the responsibilities concerned. The Depositary must maintain an appropriate level of supervision over the safe-keeping agent and make appropriate enquiries from time to time to confirm that the obligations of the agent continue to be competently discharged.

The Depositary shall be responsible for the segregation of the assets of each of the sub-funds.

The Depositary is obliged to ensure inter alia that:

- (a) the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with the Regulations and the Articles;
- (b) the value of Shares is calculated in accordance with the Articles;
- (c) in transactions involving the assets of the Company any consideration is remitted to it within time limits which are acceptable market practice in the context of a particular transaction;
- (d) it carries out the instructions of the Company unless such instructions conflict with the Articles; and the Regulations;
- (e) the income of the Company is applied in accordance with the Articles and the Regulations;
- (f) it has enquired into the conduct of the Manager in each Accounting Period and reported thereon to the Shareholders. The Depositary's report shall be delivered to the Manager in good time to enable the Manager to include a copy of the report in the annual report of the Company. The Depositary's report shall state whether in the Depositary's opinion each sub-fund has been managed in that period:
  - (i) in accordance with the limitations imposed on the investment and borrowing powers of each sub-fund and the Depositary by the Articles and by the Central Bank under the powers granted to the Central Bank under the Regulations; and

- (ii) otherwise in accordance with the provisions of the Articles and the Regulations.

If the Manager has not complied with (i) or (ii) above, the Depositary must state why this is the case and outline the steps which the Depositary has taken to rectify the situation. The duties provided for in paragraphs (a) to (f) above may not be delegated by the Depositary to a third party.

## 6.1 Conflicts of Interest

The Depositary is part of an international group of companies and businesses that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Depositary or its affiliates engage in activities under the depositary agreement or under separate contractual or other arrangements. Such activities may include:

- (i) providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Company;
- (ii) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the Company either as principal and in the interests of itself, or for other clients.

In connection with the above activities the Depositary or its affiliates:

- (i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to, the Company, the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;
- (ii) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;
- (iii) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Company;
- (iv) may provide the same or similar services to other clients including competitors of the Company;
- (v) may be granted creditors' rights by the Company which it may exercise.

The Company may use an affiliate of the Depositary to execute foreign exchange, spot or swap transactions for the account of the Company. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Company. The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the Company. The affiliate shall enter into such transactions on the terms and conditions agreed with the Company.

Where cash belonging to the Company is deposited with an affiliate being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker and not as trustee.

The Manager may also be a client or counterparty of the Depositary or its affiliates.

Up-to-date information concerning the Depositary, its duties, any conflicts that may arise, the safe-keeping functions delegated by the Depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to investors on request. As at the date of this

Prospectus, the sub-delegates used by the Depositary in various markets are listed at Appendix 4 (the **Sub-Delegates**).

## 7 **ADMINISTRATOR AND REGISTRAR**

State Street Fund Services (Ireland) Limited has been appointed by the Manager to act as administrator and transfer agent under the terms of the Administration Agreement. The Administrator has also been appointed by the Company to act as the registrar in relation to the Shares in the Funds pursuant to the Administration Agreement.

The Administrator is regulated by the Central Bank of Ireland and was incorporated as a limited liability company in Ireland on 23 March 1992 under registration number 186184. The Administrator is engaged in the business of providing administration and accounting services to investment funds.

The Administrator is engaged in the business of, inter alia, providing fund administration services to collective investment undertakings. The Administrator has responsibility for the administration of the Company's affairs including the calculation of the Net Asset Value and preparation of the accounts of the Company, subject to the overall supervision of the Directors.

The Administrator's duties shall include (i) calculating the Company's and each sub-fund's Net Asset Value, and the calculation of income and expense accruals, (ii) keeping all accounting records and preparation of annual and (where necessary) semi-annual accounts as well as undertaking detailed reconciliations and generally keeping the books and records of the Company and each sub-fund, (iii) maintenance of the Shareholder's register for the Company, (iv) correspondence with the Company's Shareholders and (v) keeping of all back up documentation relating to the Company so that it can be audited and inspected by the Central Bank.

## 8 **DISTRIBUTOR**

The Manager has appointed VanEck (Europe) GmbH to act as a distributor of the Shares of each Fund (the **"Distributor"**).

The Distributor will distribute the Shares in accordance with applicable laws and regulations. Subject to prior written approval from the Manager, the Distributor may delegate all or part of its duties and powers to affiliated or non-affiliated sub-distributors.

The relationship between the Manager, the Company and the Distributor is subject to the terms of the Distribution Agreement which has been entered into for an unlimited period of time from its execution. The Manager or the Distributor may terminate the Distribution Agreement on at least 120 calendar days' prior written notice. The Distribution Agreement may also be terminated on shorter notice in certain circumstances.

The Distribution Agreement contains provisions indemnifying the Distributor, and exempting the Distributor from liability, in certain circumstances.

## 9 **INVESTMENT OBJECTIVE AND POLICIES**

The Articles provide that the investment objective and policies of each Fund will be formulated by the Directors at the time of creation of the Fund. Details of the investment objective and policies for each Fund shall be set out in the Supplement for the relevant Fund.

The investment objective of a passively managed Fund shall be to replicate the performance of a particular Index (or indices) through (i) direct investment in some or all of the constituents of the relevant Index (assuming that those constituents are eligible assets); (ii) direct investments in eligible assets that provide indirect exposure to the relevant Index (or the constituents thereof); (iii) financial derivative instruments that provide indirect exposure to the relevant Index or the constituents thereof; or (iv) a combination of (i) to (iii) above. The investment objective of an actively managed Fund may be to provide a specific return not relating

to an index or a strategy or to outperform an index and the relevant Investment Manager (if any) of actively managed Funds will not follow a passive investment strategy and the relevant Investment Manager (if any) will apply investment techniques and risk analysis in making investment decisions for such Funds.

In addition, the Funds may utilise efficient portfolio management techniques as further described below.

### 9.1 Full Index Replication

Funds which employ full index replication seek to replicate as closely as possible the constituents of the relevant Index by holding all the securities comprising the relevant Index in similar proportion to their weightings in the relevant Index. However, it may not always be possible and practicable to purchase each and every constituent of the relevant Index in accordance with the weightings of the relevant Index, or doing so may be detrimental to Shareholders (due to considerable costs or practical difficulties involved in compiling a portfolio of the constituents of the relevant Index in order to replicate the relevant Index, or where a constituent of the relevant Index becomes temporarily illiquid, unavailable or less liquid).

### 9.2 Optimised Index Replication

It may not be practical or cost efficient for a Fund to fully replicate its Index. In such instances, the Fund may use optimisation techniques. Optimisation techniques may include the strategic selection of some (rather than all) of the securities that make up the Index, holding securities in proportions that differ from the proportions of the Index and/or the use of FDI to replicate the performance of certain securities that make up the Index. The Investment Manager may also select securities which are not underlying constituents of the Index where it believes such securities may provide similar performance (with matching risk profile) to certain securities that make up the Index. The extent to which a Fund utilises optimisation techniques will partly depend on the nature of the constituents of the relevant Index. For example, the Fund may utilise optimisation techniques and may be able to provide a return similar to that of its Index by investing in a sub-set of the constituents on its Index.

### 9.3 Use of Financial Derivative Instruments

**A Fund may (subject to the terms of its investment policy as set out in the relevant Supplement) invest in financial derivatives in order to achieve its investment objective. Such financial derivative investments shall include options, futures, swaps, forwards, credit derivatives (such as single name credit default swaps and credit default swap indices), spot foreign exchange transactions, caps and floors or other derivative transactions. In all instances, the purpose of investing in such financial derivative instruments shall be to assist in achieving the investment objective of the Fund and for reasons such as generating efficiencies in gaining exposure to the relevant Index or to the constituents of relevant Index, to produce a return similar to the return of the relevant Index, to reduce transaction costs or taxes or to allow exposure in the case of illiquid stocks or stocks which are unavailable for market or regulatory reasons or to minimise tracking errors or for such other reasons as the Directors deem of benefit to a Fund.**

Use of these investment techniques, the implementation of which is subject to a number of constraints detailed in the section entitled **UCITS Investment Restrictions** of this Prospectus, may not produce the intended results. Notwithstanding the foregoing, it should be noted that exceptional circumstances, such as, but not limited to, disruptive market conditions or extremely volatile markets, may arise which cause a Fund's tracking accuracy to diverge substantially from the relevant Index. Due to various factors, including, without limitation, the Fund's fees and expenses involved, the concentration limits detailed in the investment restrictions, other legal or regulatory restrictions, and, in certain instances, certain securities being illiquid, it may not be possible and practicable to purchase all of the constituents in proportion to their weighting in the Index or purchase certain Index constituents at all.

Investors are advised to consult the section entitled **Risk Factors** below for a description certain risks involved in the use of such techniques.

Changes to the composition and/or weighting of the securities constituting the Index which is replicated by a Fund will ordinarily require that Fund to make corresponding adjustments or rebalancings to its securities holdings in order to seek to replicate the Index. The Investment Manager will accordingly seek to rebalance the composition and/or weighting of the securities held by a Fund from time to time and to the extent practicable and possible to conform to changes in the composition and/or weighting of Index Securities constituting the Index corresponding to the Fund in a timely manner and as efficiently as possible, but subject to the Investment Manager's overall discretion in accordance with the investment policies of the Fund. Other rebalancing measures may be taken from time to time to seek to maintain the correspondence between the performance of a Fund and the performance of the Index.

The Investment Manager will rely solely on each Index Provider for information as to the composition and/or weighting of the Index Securities within each Index. If the Investment Manager is unable to obtain or process such information in relation to any Index on any Business Day, then the most recently published composition and/or weighting of that Index will be used for the purpose of all adjustments.

Any change in the investment objective of a Fund and/or material change to the investment policy of a Fund may only be made with the approval of an ordinary or written resolution of the Shareholders of the relevant Fund. Subject to giving reasonable prior notice to Shareholders to enable them to request the redemption of their Shares prior to the implementation of any change, the Directors have the power to change the investment objective and policies of a Fund. For the avoidance of doubt, in the case of a change of name only of a relevant Index such change shall not be deemed to be a change in the investment objective of a Fund and/or material change to the investment policy of a Fund and Shareholders will be notified in advance of any change of name of a relevant Index.

The Directors reserve the right, if they consider it in the interests of the Company or a Fund to do so, to change or substitute another index for the Index. The Directors may change the name of a Fund, particularly if the Index is changed. Any such change to the Index or to the name of a Fund must be notified to and cleared in advance by the Central Bank and noted in the annual and semi-annual reports of the relevant Fund issued after such change takes place.

## **10 UCITS INVESTMENT RESTRICTIONS**

Each Fund may invest no more than 10% of net assets in Transferable Securities or Money Market Instruments issued by the same body provided that the total value of Transferable Securities and Money Market Instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.

The particular investment restrictions for each Fund will be formulated by the Directors at the time of the creation of the Fund and will appear in the Supplement for the relevant Fund.

Details of the investment restrictions laid down in accordance with the Regulations in respect of each Fund are set out in sections 11 to 16 (inclusive) below.

Each Fund is subject to adhering to sanctions administered by applicable legislation, and sanctions administered by the United States Office of Foreign Asset Control, the European Union and the United Nations.

## **11 PERMITTED INVESTMENTS**

Investments of each Fund are confined to:

- 11.1 Transferable Securities and Money Market Instruments, as prescribed in the CBI UCITS Regulations, which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State (and which in each case is listed in Appendix 2).



- 11.2 Recently issued Transferable Securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- 11.3 Money Market Instruments, as defined in the CBI UCITS Regulations, other than those dealt on a Market.
- 11.4 Units of UCITS.
- 11.5 Units of AIFs as set out in the CBI UCITS Regulations.
- 11.6 Deposits or cash booked in accounts and held as ancillary liquidity, with credit institutions as prescribed in the CBI UCITS Regulations.
- 11.7 Financial derivative instruments (**FDI**) as prescribed in the CBI UCITS Regulations.

## 12 OTHER INVESTMENT RESTRICTIONS

- 12.1 Each Fund may invest no more than 10% of net assets in Transferable Securities and Money Market Instruments other than those referred to in paragraph 11.
- 12.2 Subject to the second paragraph of this section 12.2, a Fund shall not invest any more than 10% of assets of a UCITS in securities of the type to which Regulation 68(1)(d) of the CBI UCITS Regulations apply.

The first paragraph of this section 12.2 does not apply to an investment by a Fund in US Securities known as **Rule 144 A securities** provided that;

- the relevant securities have been issued with an undertaking to register the securities with the Securities and Exchange Commission within one year of issue; and
- the securities are not illiquid securities (i.e. they may be realised by the UCITS within 7 days at the price, or approximately at the price, which they are valued by the Company).

- 12.3 Subject to the prior approval of the Central Bank, the limit of 10% (as described in section 10 above) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the Net Asset Value of the Fund.
- 12.4 The limit of 10% (as described in section 10 above) is raised to 35% if the Transferable Securities or Money Market Instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
- 12.5 The Transferable Securities and Money Market Instruments referred to in 12.3 and 12.4 shall not be taken into account for the purpose of applying the limit of 40% referred to in section 10.
- 12.6 Cash held as deposits and/or booked in accounts and held as ancillary liquidity with any one credit institution shall not, in aggregate, exceed 20% of the net assets of the UCITS.
- 12.7 The risk exposure of each Fund to a counterparty in an over the counter (**OTC**) derivative transaction may not exceed 5% of net assets.

This limit is raised to 10% in the case of credit institutions authorised in the EEA, a credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States), or in a third country deemed equivalent pursuant to Article 107(4) of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.

- 12.8 Notwithstanding section 10 and paragraphs 12.6 and 12.7 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:
- investments in Transferable Securities or Money Market Instruments;
  - deposits, and/or
  - counterparty risk exposures arising from OTC derivatives transactions.
- 12.9 The limits referred to section 10 and paragraphs 12.3, 12.4, 12.6, 12.7 and 12.8 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
- 12.10 Group Companies are regarded as a single issuer for the purposes of section 10 and paragraphs 12.3, 12.4, 12.6, 12.7 and 12.8. However, a limit of 20% of net assets may be applied to investment in Transferable Securities and Money Market Instruments within the same group.
- 12.11 Each Fund may invest up to 100% of net assets in different Transferable Securities and Money Market Instruments issued or guaranteed by any Member State, local authorities of a Member State, non-Member States or public international body of which one or more Member States are members. The individual issuers must be listed in the prospectus and may be drawn from the following list: OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC.
- 12.12 Each Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.

### **13 INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES**

- 13.1 A Fund may not invest more than 20% of net assets in any one collective investment scheme.
- 13.2 Investment by a Fund in AIFs collective investment schemes may not, in aggregate, exceed 30% of the Fund's net assets.
- 13.3 A Fund may invest in other collective investment schemes if such collective investment schemes are prohibited from investing more than 10% of net assets in other open ended collective investment schemes.
- 13.4 When a Fund invests in the units of other collective investment schemes that are managed, directly or by delegation, by the Manager or by any other collective investment scheme with which the Manager is linked by common management or control, or by a substantial direct or indirect holding, neither the Manager nor that other collective investment scheme may charge subscription, conversion or redemption fees on account of that Fund's investment in the units of such other collective investment scheme.
- 13.5 Where a commission (including a rebated commission) is received the Investment Manager (where relevant) or the Manager by virtue of an investment in the units of another collective investment scheme, this commission must be paid into the property of the Fund.

## 14 INDEX REPLICATION

- 14.1 A Fund may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the Fund is to replicate an index which satisfies the criteria set out in the CBI UCITS Regulations and is recognised by the Central Bank.
- 14.2 The limit in 14.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

## 15 GENERAL PROVISIONS

- 15.1 The Fund may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

- 15.2 Each Fund may acquire no more than:

- 15.2.1 10% of the non-voting shares of any single issuing body;
- 15.2.2 10% of the debt securities of any single issuing body;
- 15.2.3 25% of the shares or units of any single collective investment scheme;
- 15.2.4 10% of the Money Market Instruments of any single issuing body.

NOTE: The limits laid down in 15.2.2, 15.2.3 and 15.2.4 above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the Money Market Instruments, or the net amount of the securities in issue cannot be calculated.

- 15.3 15.1 and 15.2 shall not be applicable to:

- 15.3.1 Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities;
- 15.3.2 Transferable Securities and Money Market Instruments issued or guaranteed by a non-Member State;
- 15.3.3 Transferable Securities and Money Market Instruments issued by public international bodies of which one or more Member States are members;
- 15.3.4 shares held by each Fund in the capital of an entity incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that non-Member State, where under the legislation of that non-Member State such a holding represents the only way in which each Fund can invest in the securities of issuing bodies of that non-Member State. This waiver is applicable only if in its investment policies the entity from the non-Member State complies with the limits laid down in section 10 and paragraphs 12.3 to 12.10, 13.1, 13.2, 15.1, 15.2, 15.4, 15.5 and 15.6 and provided that where these limits are exceeded, 15.5 and 15.6 are observed;
- 15.3.5 shares held by the Fund in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of shares at Shareholders' request exclusively on their behalf.

- 15.4 A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to Transferable Securities or Money Market Instruments which form part of their assets.

- 15.5 The Central Bank may allow recently authorised Funds to derogate from the provisions of section 10 and paragraphs **Error! Reference source not found.** to 12.12, 13.1, 13.2, 14.1 and 14.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.
- 15.6 If the limits laid down herein are exceeded for reasons beyond the control of a Fund, or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.
- 15.7 A Fund may not carry out uncovered sales of:
- Transferable Securities;
  - Money Market Instruments<sup>1</sup>;
  - units of collective investment schemes; or
  - financial derivative instruments (**FDIs**).
- 15.8 A Fund may hold ancillary liquid assets.

## 16 FINANCIAL DERIVATIVE INSTRUMENTS

- 16.1 A Fund may invest in FDIs dealt in over the counter (**OTC**) provided that the counterparties to over-the-counter transactions (**CTCs**) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank and subject to the conditions and limits laid down by the Central Bank in accordance with the terms of the CBI UCITS Regulations.
- 16.2 Position exposure to the underlying assets of FDI, including embedded FDI in Transferable Securities or Money Market Instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the CBI UCITS Regulations. This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the CBI UCITS Regulations.
- 16.3 Each Fund's global exposure (as prescribed in the CBI UCITS Regulations and as calculated on the basis of the commitment approach) relating to FDI must not exceed its total net asset value.
- 16.4 Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

## 17 USE OF FDI AND EFFICIENT PORTFOLIO MANAGEMENT

Subject to the Regulations and to the conditions within the limits laid down by the Central Bank, the Investment Manager, on behalf of a Fund may invest in FDIs dealt on a regulated market and/or OTCs which will be used for investment purposes, hedging and/or efficient portfolio management purposes. The FDIs in which a Fund may invest shall be set out in the Supplement for the relevant Fund.

There may be instances where the weighting of a constituent security of the relevant Index if replicated by a Fund could cause the Fund to breach the investment restrictions. For example, the weighting of a constituent security of an Index could exceed the prescribed limit in respect of a single issuer. In order to seek to maintain the same economic exposure to the composition and weighting of the securities in the relevant Index without breaching the investment restrictions, it is intended that each Fund may employ futures, forwards and equity swap contracts transacted OTC and other FDIs derivative contracts subject to the conditions and limits laid down by the Central Bank. This would enable the Fund to gain an economic exposure to an equity security, a combination of equity securities or an Index, whilst the Fund's primary credit risk would be to the derivative

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<sup>1</sup> any short selling of money market instruments by UCITS is prohibited

counterparty or to the issuer of the note. The notes in which a Fund invests for this purpose will be Transferable Securities traded on a Market.

The Company must employ through its service providers a risk-management process which enables it to accurately monitor, measure and manage at any time the risks attached to a Fund's FDI positions and their contribution to the overall risk profile of the portfolio of assets of a Fund. It must employ a process for accurate and independent assessment of the value of OTC FDI. The Company must provide the Central Bank with details of its FDI activity and risk assessment methodology and, in accordance with particular requirements of the Central Bank shall specify, for that purpose, the permitted types of FDI, the underlying risks, the quantitative limits and how these will be monitored and enforced and the methods which are chosen in order to estimate the risks associated with transactions in any FDI applicable to a Fund. The Company will ensure that a Fund's global exposure to FDIs does not exceed the total net asset value of its portfolio and that counterparty risk exposure to any OTC derivative transactions never exceeds the limits permitted under the Regulations.

The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments in respect of the relevant Fund.

The Funds may employ techniques and instruments relating to Transferable Securities and Money Market Instruments subject to the Regulations and to conditions imposed by the Central Bank. Techniques and instruments which relate to Transferable Securities or Money Market Instruments and which are used for the purposes of efficient portfolio management shall be understood as a reference to techniques and instruments which fulfil the following criteria:

- 17.1 they are economically appropriate in that they are realised in a cost effective way;
- 17.2 they are entered into for one or more of the following specific aims;
  - 17.2.1 reduction of risk;
  - 17.2.2 reduction of cost;
  - 17.2.3 generation of additional capital or income for the relevant Fund with a level of risk, which is consistent with the risk profile of the Fund and the risk diversification rules set out in the CBI UCITS Regulations.
- 17.3 their risks are adequately captured by the risk management process of the Company; and
- 17.4 they cannot result in a change to the Funds' declared investment objective or add substantial supplementary risk in comparison to the general risk policy as described in its sales documents.

Financial derivative instruments used for efficient portfolio management purposes, must also comply with the provisions of the CBI UCITS Regulations.

The Company may not leverage a Fund through the use of derivative instruments or forward currency transactions, i.e., the total exposure of a Fund, including but not limited to, its exposure from the use of any derivative instruments or forward currency transactions must not exceed the total Net Asset Value of the Fund.

Repurchase and stock lending agreements may if deemed advisable by the Investment Manager be used for the purposes of efficient portfolio management subject to the conditions and limits laid down by the Central Bank in accordance with the terms of the CBI UCITS Regulations.

Any revenues arising from repurchase agreements, reverse repurchase agreements and stock lending agreements will, after deduction of any direct and indirect operational costs, expenses and fees, be returned to the Fund. These direct and indirect operational costs will not contain any hidden revenue. The identity of the entities to which the direct and indirect costs and fees are paid (including details of their existing relationship, if any, with the Company and/or the Depositary) will be disclosed in the periodic reports and accounts of the Company.

The following is a description of the types of financial derivative instruments which may be used by a Fund:

### **Spot and Forward Contracts**

The Fund may buy and sell currencies on a spot and forward basis, subject to the limits and restrictions adopted by Central Bank from time to time, in order to reduce the risks of adverse changes in exchange rates, to settle portfolio transactions in other than base currency as well as to enhance the return of the Fund by gaining an exposure to a particular foreign currency.

The Fund may enter into spot foreign exchange transactions which involve the purchase of one currency with another, a fixed amount of the first currency being paid to receive a fixed amount of the second currency. "Spot" settlement means that delivery of the currency amounts normally takes place two business days, but may take up to seven business days, in both relevant centres after the trade is executed.

A forward contract is a non-standardized, negotiated, over-the-counter contract between two parties to buy or sell an asset at a specified future time at a price agreed upon today. Forward contracts may be cash or physically settled between the parties and these contracts cannot be transferred.

The Fund may use forward foreign exchange contracts for hedging foreign exchange risks arising for share classes of the Fund denominated in a currency other than the base currency. In addition, some of the assets of the Fund may be held in currencies other than the base currency. Accordingly, the Fund may at the discretion of the Investment Manager also enter into such forward foreign exchange contracts to seek to hedge such currency exposures back into the base currency of the Fund or the currency of denomination of the relevant share class.

### **Rights to purchase Common Stocks**

A Fund may hold equity rights from time to time as a result of a rights issue. A rights issue is an issue of additional shares by a company to raise capital under an equity offering. Rights provide the holder with the right, but not the obligation, to buy a specified number of new shares of a company's common stock at a predetermined price, the subscription price within a specified time. A rights issue is directly offered to all shareholders of record or through broker dealers of record and may be exercised in full or partially. Subscription rights may either be transferable, allowing the holder to sell them privately, on the open market or not at all. The right may be exercised until its expiry date. The Investment Manager may enter into rights issues to gain additional exposure to an issuer.

### **Warrants**

A warrant is a contract which gives the contractual buyer the right, but not the obligation, to exercise a feature of the warrant, such as buying a specified quantity of a particular product, asset or financial instrument, on, or up to and including, a future date (the exercise date). The 'writer' (seller) has the obligation to honour the specified feature of the contract. A warrant in the classic sense is a security that entitles the holder to buy stock of the company that issued it at a specified price. Warrants have similar characteristics to call options, but are typically issued together with preferred stocks or bonds or in connection with corporate actions and are usually of little value. Warrants are longer-dated options and are generally traded over the counter. The commercial purpose of warrants can be to hedge against the movements of a particular market or financial instrument or to gain exposure to a particular market or financial instrument instead of using a physical security.

## Swaps

Subject to the requirements laid down by the Central Bank, the Company on behalf of a Fund may enter into transactions in swaps or options on swaps (including equity swaps and swaps on the Index). Swap agreements are two-party contracts for periods ranging from a few weeks to more than one year. In a standard swap transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realised on particular agreed investments or instruments.

In a swap, the gross returns to be exchanged or "swapped" between the parties are generally calculated with respect to a "notional amount", i.e. the return or increase in value of a particular security or "basket" of securities or securities index.

The Funds may enter into swaps both to hedge existing long positions.

## Options

Put options are contracts that gives the buyer the right, but not the obligation, to sell to the seller of the contract, a specific quantity of a particular product or financial instrument at a specified price. Call options are contracts sold for a premium that gives the buyer the right, but not the obligation, to buy the securities underlying the option at the specified exercise price from the seller of the option at any time during the term of the option contract. In return for granting the option the seller of the option collects a payment, or premium, from the buyer. Options may be cash or physically settled.

The purpose behind the purchase of call options by the Funds is to provide exposure to increases in the market (e.g., with respect to temporary cash positions) or to hedge against an increase in the price of securities or other investments that a Fund intends to purchase. The purpose behind the purchase of put options by a Fund is to hedge against a decrease in the market generally or to hedge against the price of securities or other investments held by a Fund. The Funds may purchase or sell options contracts with a greater or lesser value than the securities it wishes to hedge or intends to purchase in order to attempt to compensate for differences in volatility between the contract and the securities, although this may not be successful in all cases.

## Futures

Futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange. Futures contracts allow investors to hedge against market risk or gain exposure to the underlying market. Since these contracts are marked-to-market daily, investors can, by closing out their position, exit from their obligation to buy or sell the underlying assets prior to the contract's delivery date. The purchase of such contracts may provide a cost effective and efficient mechanism for taking position in an equity, an equity market or an index. The sale of such contracts may provide a means to hedge a Fund against a decline in value of the Index.

## Convertible Bonds

A convertible bond is a bond that can be converted into a predetermined amount of shares of common stock in the issuing company at certain times during its life usually at the discretion of the bondholder. A convertible bond may be viewed as a bond with an embedded option to exchange the bond for equity. The Investment Manager may purchase convertible bonds when they view the security to offer an attractive risk/reward profile.

## Structured Finance Transaction Regulations

While the Company is authorised to enter into securities financing transactions (**SFTs**) (as defined under Article 3 (11) of Regulation (EU) 2015/2365) (the **SFTR**), it is not anticipated that the Company will enter into any SFTs. However, in the event that the Company contemplates entering into such transactions, investors

will be provided with further details of the structure and use of such transactions, together with any other information required to be disclosed to investors in accordance with Articles 13 and 14 of the SFTR.

## 18 **BORROWING AND LENDING POWERS**

A Fund may borrow up to 10% of its net assets at any time for the account of any Fund and the Depositary may charge the assets of such Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes. Any particular borrowing restrictions for a Fund will appear in the Supplement for the relevant Fund. Without prejudice to the powers of the Company to invest in Transferable Securities, the Company may not lend to, or act as guarantor on behalf of, third parties. A Fund may acquire debt securities and securities which are not fully paid.

The Company may acquire for each Fund foreign currency by means of a back-to-back loan. Foreign currency obtained in this manner is not classed as borrowings for the purpose of the borrowing restriction in paragraph (a), provided that the offsetting deposit: (i) is denominated in the Base Currency of the Company and (ii) equals or exceeds the value of the foreign currency loan outstanding. However, where foreign currency borrowings exceed the value of the back-to-back deposit, any excess is regarded as borrowing for the purposes of the limits detailed above.

## 19 **COLLATERAL ARRANGEMENTS**

In order to reduce its exposure to any counterparty through the use of OTC derivatives or efficient portfolio management techniques or instruments the Funds may adopt collateral arrangements, as described below.

### 19.1 *Permitted Types of Collateral*

### 19.2 *Non-Cash Collateral*

19.2.1 Non-cash collateral must at all times meet with the following requirements:

- (a) Liquidity: Non-cash collateral should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the Regulations;
- (b) Valuation: Collateral must be capable of being valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
- (c) Issuer credit quality: Collateral received should be of high quality;
- (d) Correlation: Collateral received should be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty;
- (e) Diversification (asset concentration): Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Net Asset Value. When Funds are exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer;
- (f) Immediately available: Collateral received should be capable of being fully enforced by the Company on behalf of a Fund at any time without reference to or approval from the relevant counterparty; and
- (g) Non-cash collateral received cannot be sold, pledged or reinvested by the Fund.

### 19.3 *Cash Collateral*



19.3.1 Reinvestment of cash collateral must at all times, meet with the following requirements:

19.3.2 Cash received as collateral may only be invested in the following:

- (a) deposits with an EU credit institution, a bank authorised in the remaining Member States of the European Economic Area (EEA) (Norway, Iceland, Liechtenstein), a bank authorised by a signatory state, other than an EU Member State or a Member State of EEA, to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States) or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand (the **Relevant Institutions**);
- (b) high quality government bonds;
- (c) reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Company on behalf of a Fund is able to recall at any time the full amount of cash on an accrued basis;
- (d) short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049);

19.3.3 meet the requirements in section 19.2.1(e)above, where applicable;

- (a) Invested cash collateral may not be placed on deposit with the counterparty or a related entity.

#### 19.4 *Level of Collateral Required*

The levels of collateral required are as follows:

|                                 |  |
|---------------------------------|--|
| Repurchase agreements           | at least 100% of the exposure to the counterparty.   |
| Reverse repurchase agreements   | at least 100% of the exposure to the counterparty.   |
| Lending of portfolio securities | at least 100% of the exposure to the counterparty.   |
| OTC derivatives                 | Such collateral to ensure, in any event, that counterparty exposure is managed within the limits set out in section entitled <b>UCITS Investment Restrictions</b> of the Prospectus. |

#### 19.5 *Haircut Policy*

The Company will require that the market value of non-cash collateral received is between 100% - 120% of the relevant counterparty exposure. The percentage applied will depend on factors such as liquidity, price volatility, issuer credit quality and remaining maturity and will take into account the results of stress tests. The Company may be over collateralised from time to time.

## 20 **RISK FACTORS**

### 20.1 **General**

The discussion below is of general nature and is intended to describe various risk factors which may be associated with an investment in the Shares of a Fund to which the attention of investors is drawn. Investors' attention is also drawn to the section entitled **Risk Factors** of the Supplement of each relevant Fund for a discussion of certain additional risks particular to Shares of that Fund. However, these are not intended to be exhaustive and there may be other considerations that should be taken into account in relation to an investment. Investors are advised to consult their own advisors before considering an investment in the Shares of a particular Fund. What factors will be of relevance to the Shares of a particular Fund will depend upon a number of interrelated matters including, but not limited to, the nature of the Shares, the relevant Index (if any), the investments and assets of the Fund and the techniques used to link the investments and assets of the Fund to the relevant Index.

No investment should be made in the Shares of a particular Fund until careful consideration of all those factors has been made.

The investments of the Fund in securities are subject to normal market fluctuations and other risks inherent in investing in securities. The value of investments and the income from them, and therefore the value of, and income from, Shares relating to each Fund can go down as well as up and an investor may not get back the amount he invests. Changes in exchange rates between currencies or the conversion from one currency to another may also cause the value of investments to diminish or increase when calculated in the functional currency of the relevant Fund (or the functional currency of the investor, if different). An investment in Shares of each Fund should be viewed as medium to long term. An investment in a Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. In certain circumstances, Shareholders' rights to redeem Shares may be deferred or suspended.

Investors should note that in certain market conditions, securities held by the Funds may not be as liquid as they would be in normal circumstances. If a security cannot be sold in a timely manner, then it may be harder to obtain a reasonable price and there is a risk that the price at which the security is valued may not be realisable in the event of sale. The Funds may therefore be unable to readily sell such securities.

Risk factors may occur simultaneously and/or may compound each other resulting in an unpredictable effect on the value of the Shares. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Shares.

## **20.2 Authorised Participant Concentration Risk**

A Fund may have a limited number of financial institutions that act as Authorised Participants (APs), none of which are obligated to engage in creation and/or redemption transactions. To the extent that those APs exit the business, or are unable to or choose not to process creation and/or redemption orders, and no other AP is able to step forward to create and redeem, there may be a significantly diminished trading market for Shares or Shares may trade like closed-end funds at a discount (or premium) to NAV and possibly face trading halts and/or de-listing. The AP concentration risk may be heightened **in scenarios** where APs have limited or diminished access to the capital required to post collateral.

## **20.3 Operational Risk**

The Company runs the risk of losses as the result of deficient or faulty internal processes, internal control, human error, system error or errors caused by external events. Operational risk encompasses business risk, legal, tax and compliance risk, the system of fraud, supervisory risk, administrative risk, system risk, personnel risk and risk of use of IT systems including improper access to data by third parties.

## **20.4 Withholding Tax**

The income and gains of the Fund from its assets may suffer withholding tax which may not be reclaimable in the countries where such income and gains arise. If this position changes in the future and the application of a lower rate results in a repayment to the Fund, the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Shareholders rateably at the time of repayment.

## **20.5 Investment Risk**

The prices of Shares and the income from them may fall as well as rise and an investor may not recover the full amount invested. There can be no assurance that any Fund will achieve its investment objective or that a Shareholder will recover the full amount invested in a Fund. The capital return and income of each Fund are based on the capital appreciation and income on the securities it holds, less expenses incurred and any relevant Duties and Charges. Therefore, each Fund's return may be expected to fluctuate in response to changes in such capital appreciation or income.

## 20.6 **Currency Risk**

In circumstances where a Fund employs hedging techniques in respect of non-Base Currency denominated debt securities to hedge the currency exchange risk back to Base Currency, a risk remains that such hedging techniques may not always achieve the objective of seeking to limit losses and exchange rate risks.

## 20.7 **Valuation Risk**

Fair value pricing involves subjective judgments and it is possible that that a fair value determination of an investment is materially different than the value that could be realised on the sale of the investment. In addition, it could result in a difference between the prices used to calculate the Net Asset Value of a Fund and the prices used by the Index.

## 20.8 **Secondary Market Trading Risk**

Even though the Shares are to be listed on one or more stock exchanges, there can be no certainty that there will be liquidity in the Shares on any stock exchange or that the market price at which the Shares may be traded on a stock exchange will be the same as or approximately equal to the Net Asset Value per Share.

Trading in Shares on a stock exchange may be halted or suspended due to market conditions or for the reason that, in the stock exchange's view, trading in the Shares is inadvisable, or otherwise pursuant to the stock exchange's rules. If trading on a stock exchange is halted, investors in Shares may not be able to sell their Shares until trading resumes however such investors should be able to apply to the Company to redeem Shares in accordance with the provisions set out below.

Investors buying or selling Shares in the secondary market will pay brokerage commissions or other charges determined and imposed by the applicable broker. Brokerage commissions are often a fixed amount and may be a significant proportional cost for investors seeking to buy or sell relatively small amounts of Shares. In addition, secondary market investors will incur the cost of the difference between the price that an investor is willing to pay for Shares (the "bid" price) and the price at which an investor is willing to sell Shares (the "ask" price). This difference in bid and ask prices is often referred to as the "spread" or "bid/ask spread". Due to the costs of buying or selling Shares, including bid/ask spreads, frequent trading of Shares may significantly reduce investment results and an investment in Shares may not be advisable for investors who wish to trade regularly in relatively small amounts.

Prospective investors should note that where an investor holds Shares via an intermediary such shareholder will typically not appear on the Register of the Company and may not therefore be able to exercise voting or other rights available to those persons appearing on the Register.

## 20.9 **Fluctuation of Net Asset Value and Trading Prices on the Secondary Market**

Depending on an investor's currency of reference, currency fluctuations may adversely affect the value of an investment in one or more of the Funds.

The secondary market price of the Shares is likely to fluctuate with changes in the Net Asset Value per Share, with changes in the exchange rate between the currency(ies) in which the securities held by the relevant Fund are denominated and the currency in which the Shares are traded and with supply and demand factors on the stock exchange on which the Shares are traded. The Company cannot predict whether the Shares will trade below, at, or above their Net Asset Value per Share when converted to the currency in which the Shares are traded. Price differences may be due in large part, to the fact that supply and demand forces in the secondary market for Fund's Shares will be closely related, but not identical, to the same forces influencing the prices of the Index Securities of that Fund's Index trading individually or in the aggregate at any point in time.

The Net Asset Value per Share and the secondary market price of Shares are expected to track each other through arbitrage. In specific circumstances, Authorised Participant may choose to arbitrage the Fund by

subscribing for or redeeming Creation Units. Such arbitrage will help to ensure that the deviation of the trading bid and offer price per Share from the Net Asset Value per Share (after currency conversion) is generally minimised. Authorised Participants and other investors are reminded that if the calculation of the Net Asset Value of a Fund is suspended, then their right to redeem Shares in that Fund would ordinarily also be suspended. In the event that the Company has to suspend the subscription and/or redemption of Shares of a Fund, or if a stock exchange on which a Fund's underlying investments are traded is closed, it is expected that larger discounts or premiums could arise.

#### **20.10 Index Licence Risk**

If in respect of an Index, at any time, the licence granted (if required) to the Company or the Investment Manager (or its affiliates) to replicate or otherwise use the Index for the purposes of a Fund terminates, or such a licence is otherwise disputed, impaired or ceases (for any reason), the Directors may be forced to replace the Index with another index which they determine to replicate substantially the same market as the Index in question and which they consider to be an appropriate index for the relevant Fund to replicate and such a substitution or any delay in such a substitution may have an adverse impact on the Fund. In the event that the Directors are unable to identify a suitable replacement for the relevant index, they may be forced to terminate the Fund.

#### **20.11 Passive Management Risk**

An investment in a Fund involves risks similar to those of investing in any fund invested in equity or bond securities traded on an exchange, such as market fluctuations caused by such factors as economic and political developments, changes in interest rates and perceived trends in security prices. However, because the Fund is not "actively" managed, unless a specific security is removed from the Index, the Fund generally would not sell a security because the security's issuer was in financial trouble. Therefore, the Fund's performance could be lower than funds that may actively shift their portfolio assets to take advantage of market opportunities or to lessen the impact of a market decline or a decline in the value of one or more issuers.

#### **20.12 Index Tracking Risk**

The Fund's return may not match the return of the Index for a number of reasons. For example, the Fund incurs a number of operating expenses, including taxes, not applicable to the Index and incurs costs associated with buying and selling securities, especially when rebalancing the Fund's securities holdings to reflect changes in the composition of the Index and raising cash to meet redemptions or deploying cash in connection with newly created Creation Units, which are not factored into the return of the Index. Transaction costs, including brokerage costs, will decrease the Fund's NAV to the extent not offset by the transaction fee payable by an Authorized Participant (AP). Market disruptions and regulatory restrictions could have an adverse effect on the Fund's ability to adjust its exposure to the required levels in order to replicate the Index. There is no assurance that an Index Provider or any agents that may act on their behalf will compile an Index accurately, or that an Index will be determined, composed or calculated accurately. Errors in the Index data, the Index computations and/or the construction of the Index in accordance with its methodology may occur from time to time and may not be identified and corrected by the Index provider for a period of time or at all, which may have an adverse impact on the Fund and its shareholders. The Fund may not be fully invested at times either as a result of cash flows into the Fund or reserves of cash held by the Fund to pay expenses. In addition, the Fund may not be able to invest in certain securities included in the Index, or invest in them in the exact proportions in which they are represented in the Index, due to legal restrictions or limitations imposed by the governments of certain countries. The Fund's performance may also deviate from the return of the Index due to a lack of liquidity on stock exchanges in which such securities trade, potential adverse tax consequences or other regulatory reasons or legal restrictions or limitations. The Fund may value certain of its investments and/or underlying currencies based on fair value prices. To the extent the Fund calculates its NAV based on fair value prices and the value of the Index is based on securities' closing prices on local foreign markets (i.e., the value of the Index is not based on fair value prices), the Fund's ability to replicate the Index may be adversely affected. For tax efficiency purposes, the Fund may sell certain securities, and such sale may cause the Fund to realize a loss and deviate from the performance of the Index. In light of the

factors discussed above, the Fund's return may deviate significantly from the return of the Index. Changes to the composition of the Index in connection with a rebalancing or reconstitution of the Index may cause the Fund to experience increased volatility, during which time the Fund's index tracking risk may be heightened.

#### **20.13 Optimising Strategy Risk**

It may not be practical or cost efficient for the Fund to replicate its Index. Where it is not part of a Fund's investment policy to replicate its Index, such Fund may use optimisation techniques to replicate the performance of its Index. Optimising funds may potentially be subject to tracking error risk, which is the risk that their returns may not replicate exactly those of its Index.

#### **20.14 Legal and Regulatory Risk**

The Company must comply with regulatory constraints or changes in the laws affecting it, the Funds, or the Investment Restrictions, which might require a change in the investment objective and policies followed by a Fund. A Fund's assets may also be subject to change in laws or regulations and/or regulatory action which may affect their value. The Company and the Investment Manager may be or may become subject to unduly burdensome and restrictive regulation. In particular, in response to significant recent events in international financial markets, governmental intervention and certain regulatory measures which have been or may be adopted in certain jurisdictions. Any changes in global financial regulation may present the Company with significant challenges and could result in losses to the Company.

#### **20.15 Political Factors, Emerging Market and Non-OECD Member State Assets**

The performance of the Shares and/or the possibility to purchase, sell, or repurchase the Shares may be affected by changes in general economic conditions and uncertainties such as political developments, changes in government policies, the imposition of restrictions on the transfer of capital and changes in regulatory requirements. Such risks can be heightened in investments in, or relating to, emerging markets or non-OECD member states. In addition, local custody services remain underdeveloped in many non-OECD and emerging market countries and there is a transaction and custody risk involved in dealing in such markets. In certain circumstances, a Fund may not be able to recover or may encounter delays in the recovery of some of its assets. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in emerging markets or non-OECD member states, may not provide the same degree of investor information or protection as would generally apply to major markets.

#### **20.16 Market Disruption and Geopolitical Risk.**

The Funds are subject to the risk that geopolitical events will disrupt securities markets and adversely affect global economies and markets. Geopolitical events may affect the global economy, the economies of the specific nations or regions, securities markets, interest rates, credit ratings, inflation, investor sentiment and individual issuers, all of which may negatively impact a Fund's performance. Geopolitical events may present significant financial and/or operational risks to the Company, the Manager and/or its service providers (including the Administrator and the Investment Manager) and may impact on the ability of the relevant Investment Manager to access markets or implement a Fund's investment policy in the manner originally contemplated during the duration of the geopolitical event and beyond. The spread of infectious illness or other public health issues, such as coronavirus, and related geopolitical events have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally. For example, in March 2020, the World Health Organisation declared Coronavirus disease 2019 ("COVID 19") a pandemic. While the full impact of a pandemic is not always known, it may result in continued market volatility, impairment of liquidity in certain instruments and a period of economic decline globally.

#### **20.17 Delivery Failure**

In some securities markets, deliveries of securities and other Fund Assets and payments therefor may not be or are not customarily made simultaneously. Further due to the nature of the investment policy and

structuring of transactions involving the Fund Assets the deliveries of securities and payments may not be made simultaneously. The Depositary or a sub-custodian may make or accept payment for or delivery of Fund Assets in such form and manner and shall not be contrary to the customs prevailing in the relevant market or among securities dealers or in accordance with the terms of the Depositary Agreement. The Company shall bear the risk that: (i) the recipient of Fund Assets delivered by the Depositary or any sub-custodian may fail to make payment, for or return such Fund Assets or hold such Fund Assets or the proceeds of their sale in trust for the Depositary or the Company; and (ii) the recipient of payment for Fund Assets made by the Depositary or any sub-custodian may fail to deliver the Fund Assets or to return such payment, in each case whether such failure is total or partial or merely a failure to perform on a timely basis. In principle, neither the Depositary nor any sub-custodian shall be liable to the Company for any loss resulting from any of the foregoing events or from the liquidation, insolvency or bankruptcy of such recipient, unless these losses are the results of specific events in compliance with regulatory requirements and/or otherwise specified in the Depositary Agreements.

#### **20.18 Liquidity Risk**

The Company provides daily liquidity. Under normal circumstances, all positions can be sold within a very short period of time without realising significant losses. However, unforeseen circumstances can give rise to abnormal conditions which could cause the Company to face liquidity risk. It could be unable to sell its positions as a result. The degree to which the securities in which the relevant Fund invests can be traded affects the height of the actual buy and sell prices. This could mean that securities cannot be sold or can only be sold at a substantially lower price than the valuation assigned and the relevant Sub-fund may be unable to free up adequate funds to satisfy its purchase obligations. The bid/ask prices can deviate from the asset value of the share in the relevant Fund, as a result of which the performance may deviate from that of the underlying Index or Indices, certainly in the event of limited liquidity on the market. To limit this risk, investments are only made in listed securities. In exceptional circumstances, if the purchase of shares in the Company is suspended for instance, there could be a risk that the investor may be unable to sell their investment at the desired moment or for a reasonable price. Given the open-ended character of the Company, it could be confronted with a high number of exits which would mean investments would have to be liquidated under potentially unfavourable conditions. This would negatively impact the value of the share. As described in this Prospectus, the purchase of shares may be (temporarily) suspended under certain circumstances.

#### **20.19 Contingent Liability Transactions**

Contingent liability transactions which are margined require the Fund to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. If the Fund trades in futures or sells options, the Fund may sustain a total loss of the margin it deposits with the broker to establish or maintain a position. If the market moves against the Fund, the Fund may be called upon to pay substantial additional margin at short notice to maintain the position. If the Fund fails to do so within the time required, its position may be liquidated at a loss and the Fund will be liable for any resulting deficit. Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when the contract was entered into. Contingent liability transactions which are not traded on or under the rules of a recognised or designated investment exchange may expose you to substantially greater risks.

#### **20.20 Risk of (tax) legislation and regulation**

Financial and/or tax legislation that is currently favourable could be subject to unfavourable amendment. The Company has the status of fiscal investment institution (FII). This tax status entails conditions which the Company must satisfy. Although this is included in its policy, there is the chance that the Company might no longer satisfy or be unable to satisfy the requirements associated with the tax status any longer and could lose this special status, resulting in the Company owing corporation tax at the usual rate.

## **20.21 Market Risk**

Market risk can negatively impact the value of an investment in a Fund. The investments in the Funds can be affected by uncertainties on the financial markets, such as but not limited to general international political and economic developments or market conditions.

## **20.22 Settlement Risk**

The Company normally invests in listed securities. In the period between the agreement for a particular transaction and the execution of that transaction, there is a settlement risk. The payment or transfer of the financial instruments by the counterparty via a trading system sometimes does not occur, does not occur on time or does not occur as expected.

## **20.23 Risk of suspension of or restrictions on purchase and issue**

Under specific circumstances, the issue and purchase of shares of the Company may be restricted or suspended. Investors run the risk that they will not always be able to purchase or sell the shares in the Company in the short term.

## **20.24 Risk of Investing in Depositary Receipts**

A Fund may invest in depositary receipts which involve similar risks to those associated with investments in foreign securities. Depositary receipts are receipts issued by banks or trust companies that entitle the holder to all dividends and capital gains that are paid out on the underlying foreign shares. Investments in depositary receipts may be less liquid than the underlying shares in their primary trading market and, if not included in the relevant Index, may negatively affect the Fund's ability to replicate the performance of the relevant Index.

## **20.25 Investments through Stock Connect**

Trading through Stock Connect is subject to a number of restrictions that may affect a Fund's investments and returns. For example, trading through Stock Connect is subject to daily quotas that limit the maximum daily net purchases on any particular day, which may restrict or preclude a Fund's ability to invest in Stock Connect A-shares or B-Shares. In addition, investments made through Stock Connect are subject to trading, clearance and settlement procedures that are relatively untested in the PRC, which could pose risks to a Fund. Furthermore, securities purchased via Stock Connect will be held via a book entry omnibus account in the name of HKSCC, Hong Kong's clearing entity, at the China Securities Depository and Clearing Corporation Limited ("CSDCC"). A Fund's ownership interest in Stock Connect securities will not be reflected directly in book entry with CSDCC and will instead only be reflected on the books of its Hong Kong sub-custodian. A Fund may therefore depend on HKSCC's ability or willingness as record-holder of Stock Connect securities to enforce a Fund's shareholder rights. PRC law did not historically recognize the concept of beneficial ownership; while PRC regulations and the Hong Kong Stock Exchange have issued clarifications and guidance supporting the concept of beneficial ownership via Stock Connect, the interpretation of beneficial ownership in the PRC by regulators and courts may continue to evolve. Moreover, Stock Connect A-shares generally may not be sold, purchased or otherwise transferred other than through Stock Connect in accordance with applicable rules.

A primary feature of Stock Connect is the application of the home market's laws and rules applicable to investors in A-shares or B-Shares. Therefore, a Fund's investments in Stock Connect A-shares or B-Shares are generally subject to PRC securities regulations and listing rules, among other restrictions. A Fund will not benefit from access to Hong Kong investor compensation funds, which are set up to protect against defaults of trades, when investing through Stock Connect. Stock Connect is only available on days when markets in both the PRC and Hong Kong are open, which may limit a Fund's ability to trade when it would be otherwise attractive to do so. Finally, uncertainties in PRC tax rules governing taxation of income and gains from investments in Stock Connect A-shares or B-Shares could result in unexpected tax liabilities for a Fund. The withholding tax treatment of dividends and capital gains payable to overseas investors currently is unsettled.

The Stock Connect program is a relatively new program and may be subject to further interpretation and guidance. There can be no assurance as to the program's continued existence or whether future developments regarding the program may restrict or adversely affect a Fund's investments or returns. In addition, the application and interpretation of the laws and regulations of Hong Kong and the PRC, and the rules, policies or guidelines published or applied by relevant regulators and exchanges in respect of the Stock Connect program are uncertain, and they may have a detrimental effect on a Fund's investments and returns.

#### **20.26 Risk Management System**

The Manager employs a portfolio and risk management approach which aims to evaluate and analyse risks and performance, compliance with the Investment Restrictions applicable to the Fund and to measure and manage the risk generated by replicating the Index. Although the Manager endeavours to follow such measures, no guarantee can be given that the Manager will be successful in limiting risk exposure of the Fund to the extent sought; or that the measures will in fact achieve the objectives for risk control.

#### **20.27 Sampling Risk**

In accordance with the Investment Policy, the Fund's use of a representative sampling approach will result in its holding a smaller number of securities than are in the Index. As a result, an adverse development respecting an issuer of securities held by the Fund could result in a greater decline in the Net Asset Value of the Fund than would be the case if the Fund held all of the securities in the Index. Conversely, a positive development relating to an issuer of securities in the Index that is not held by the Fund could cause the Fund to underperform the Index. To the extent the assets in the Fund are smaller, these risks will be greater.

#### **20.28 Index Rebalancing and Costs Risk**

The Index Provider may periodically publish new constituents, reflecting changes in the securities that are included or excluded in the Index. When the constituents of the Index change, the Fund will typically, to the extent that it is possible and practicable and to do so, seek to realign its exposure to more closely reflect that of the Index. To realign the exposures in the Fund, securities must be bought and sold. This rebalancing will incur costs that are not reflected in the theoretical calculation of the Index's return and may impact on the Fund's ability to provide returns consistent with those of the Index. Such costs can be direct or indirect and include, but are not limited to: transaction charges, stamp duty or other taxes on the investments. Accordingly, the cost of rebalancing may impact on the Fund's ability to provide returns consistent with those of the Index.

#### **20.29 Credit Risk**

The issuer or guarantor of a debt security may be unable and/or unwilling to make timely interest payments and/or repay the principal on its debt or to otherwise honour its obligations. Bonds are subject to varying degrees of credit risk which may be reflected in credit ratings. There is a possibility that the credit rating of a bond may be downgraded after purchase, which may adversely affect the value of the security.

#### **20.30 Interest Rate Risk**

Bond prices could rise or fall as the result of changes in the interest rates and the interest rate curve. Potential or actual downgrades in the credit rating can increase the assumed risk level.

#### **20.31 Absence of an Active Secondary Market**

While Shares have been listed on several stock exchanges, there can be no assurance that active trading markets for the Shares will develop or be maintained. Trading in Shares on an exchange may be halted due to market conditions or for reasons that, in the view of the relevant exchange, make trading in Shares inadvisable. In addition, trading in Shares on an exchange is subject to trading halts caused by extraordinary market volatility pursuant to the relevant exchange's "circuit breaker" rules. In addition, there can be no guarantee that once Shares are listed on any stock exchange that they will remain listed. Further, secondary



markets may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods in times of market stress because market makers may step away from making a market in the Shares and in executing creation and redemption orders, which could cause a material deviation in the Fund's market price from its NAV.

#### **20.32 Fund Shares trading, Premium/Discount Risk and Liquidity Risk of Fund shares**

The market prices of the Shares may fluctuate in response to the Fund's NAV, the intraday value of the Fund's holdings and supply and demand for Shares. The Fund cannot predict whether Shares will trade above, below, or at their most recent NAV. Disruptions to creations and redemptions, the existence of market volatility or potential lack of an active trading market for Shares (including through a trading halt), as well as other factors, may result in Shares trading at a significant premium or discount to NAV or to the intraday value of the Fund's holdings. If a shareholder purchases Shares at a time when the market price is at a premium to the NAV or sells Shares at a time when the market price is at a discount to the NAV, the shareholder may sustain losses. The NAV of the Shares will fluctuate with changes in the market value of the Fund's securities holdings. The market prices of Shares will fluctuate, in some cases materially, in accordance with changes in NAV and the intraday value of the Fund's holdings. The price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for Shares may be closely related to, but not necessarily identical to, the same forces influencing the prices of the securities of a Fund's portfolio of investments trading individually or in the aggregate at any point in time.

The securities held by the Fund may be traded in markets that close at a different time than the relevant exchanges on which the Shares are listed. Liquidity in those securities may be reduced after the applicable closing times. Accordingly, during the time when the relevant exchange is open but after the applicable market closing, fixing or settlement times, bid-ask spreads on the relevant exchange and the resulting premium or discount to the Shares' NAV may widen. Additionally, in stressed market conditions, the market for the Fund's Shares may become less liquid in response to deteriorating liquidity in the markets for the Fund's underlying portfolio holdings.

When you buy or sell Shares of the Fund through a broker, you will likely incur a brokerage commission or other charges imposed by brokers. In addition, the market price of Shares, like the price of any exchange-traded security, includes a bid/ask spread charged by the market makers or other participants that trade the particular security. The spread of the Shares varies over time based on the Fund's trading volume and market liquidity and may increase if the Fund's trading volume, the spread of the Fund's underlying securities, or market liquidity decrease. In times of severe market disruption, including when trading of the Fund's holdings may be halted, the bid/ask spread may increase significantly. This means that Shares may trade at a discount to the Fund's NAV, and the discount is likely to be greatest during significant market volatility.

#### **20.33 Equity Securities Risk**

The value of the equity securities held by the Fund may fall due to general market and economic conditions, perceptions regarding the markets in which the issuers of securities held by the Fund participate, or factors relating to specific issuers in which the Fund invests. For example, an adverse event, such as an unfavourable earnings report, may result in a decline in the value of equity securities of an issuer held by the Fund; the price of the equity securities of an issuer may be particularly sensitive to general movements in the securities markets; or a drop in the securities markets may depress the price of most or all of the equities securities held by the Fund. Equity securities are subordinated to preferred securities and debt in a company's capital structure with respect to priority in right to a share of corporate income, and therefore will be subject to greater dividend risk than preferred securities or debt instruments. In addition, while broad market measures of equity securities have historically generated higher average returns than fixed income securities, equity securities have generally also experienced significantly more volatility in those returns, although under certain market conditions fixed income securities may have comparable or greater price volatility.

#### 20.34 **Inflation Risk**

The purchasing power of the invested euro, and by extension the value of the investment, can decrease as a result of monetary depreciation. The Company's investments do not aim to provide any protection against inflation.

#### 20.35 **Outsourcing risk**

Outsourcing activities entails the risk that the counterparty might not satisfy its obligations, despite the agreements made. The Manager, who remains ultimately responsible for the outsourced activities, periodically reviews compliance with the agreements made and takes action when it deems this necessary.

#### 20.36 **Risk related to the use of Derivatives**

In principle, the Company does not invest in derivatives. However, as the Company is allowed to do so, investors should be informed about the related risks.

##### 20.36.1 ***Control and Monitoring of Derivative Instruments***

Derivative products are highly specialised instruments that require investment techniques and risk analysis different from those associated with equity and fixed income securities. The use of derivative techniques requires an understanding not only of the relevant Index but also of the derivative itself. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to a Fund and the ability to forecast the relative price, interest rate or currency rate movements correctly.

##### 20.36.2 ***Liquidity Risk of Derivatives***

Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid as is the case with many privately negotiated derivatives, it may not be possible to initiate a transaction or liquidate a position at an advantageous price, or at all.

##### 20.36.3 ***Counterparty Risk***

The Company on behalf of a Fund may enter into transactions in over-the-counter markets, which will expose the Fund to the credit of its counterparties and their ability to satisfy the terms of such contracts. For example, the Company on behalf of the Fund may enter into repurchase agreements, forward contracts, options and swap arrangements or other derivative techniques, each of which exposes the Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of the bankruptcy or insolvency of a counterparty, the Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Company seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, investors may be unable to recover any losses incurred. Derivative contracts such as swaps entered into by the Company on behalf of a Fund on the advice of the Investment Manager involve credit risk that could result in a loss to the relevant Fund.

##### 20.36.4 ***Contingent Liability Transactions***

Contingent liability transactions which are margined require the Fund to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. If the Fund trades in futures or sells options, the Fund may sustain a total loss of the margin it deposits with the broker to establish or maintain a position. If the market moves against the Fund, the Fund may be called upon to pay substantial additional margin at short notice to maintain the position. If the Fund fails to do so within the time required,

its position may be liquidated at a loss and the Fund will be liable for any resulting deficit. Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when the contract was entered into. Contingent liability transactions which are not traded on or under the rules of a recognised or designated investment exchange may expose you to substantially greater risks.

#### **20.36.5 *Market Risk of Derivatives***

Contingent liability transactions which are margined require the Fund to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. If the Fund trades in futures or sells options, the Fund may sustain a total loss of the margin it deposits with the broker to establish or maintain a position. If the market moves against the Fund, the Fund may be called upon to pay substantial additional margin at short notice to maintain the position. If the Fund fails to do so within the time required, its position may be liquidated at a loss and the Fund will be liable for any resulting deficit. Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when the contract was entered into. Contingent liability transactions which are not traded on or under the rules of a recognised or designated investment exchange may expose you to substantially greater risks.

#### **20.36.6 *Settlement Risk of Derivatives***

Delays in settlement may result from disputes over the terms of the contract (whether or not bona fide) since such markets may lack the established rules and procedures for swift settlement of disputes among market participants found in "exchange-based" markets.

#### **20.36.7 *Other Risk Relating to the Use of Derivatives***

Other risks in using derivatives include the risk of differing valuations of derivatives arising out of different permitted valuation methods and the inability of derivatives to correlate perfectly with underlying securities, rates and indices. Many derivatives, in particular OTC derivatives, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals which often are acting as counterparties to the transaction to be valued. Inaccurate valuations can result in increased cash payment requirements to counterparties or a loss of value to a Fund. The value of any OTC derivatives shall be the value obtained from the counterparty and shall be valued daily. Such valuations will be approved or verified at least weekly by a party independent of the counterparty who shall either be the Administrator or sourced by the Administrator as appropriate and who has been approved for such purpose by the Depositary. Derivatives do not always perfectly or even highly correlate or replicate the value of the securities, rates or indices they are designed to replicate. Consequently, a Fund's use of derivative techniques may not always be an effective means of, and sometimes could be counterproductive to, following such Fund's investment objective.

#### **20.36.8 *Use of Derivatives***

Derivatives are instruments that derive their value from a particular underlying instrument and are only used by the Company to offer protection against another risk factor (interest rate risk, for instance). Derivatives risk denotes the use of these sometimes complex products and primarily the risk that the counterparty in a derivatives contract will fail to satisfy its obligations. The company will not actively take derivatives positions, however, and will not conclude any so called 'over-the-counter' derivatives contracts with counterparties so that any counterparty risk in derivatives transactions are kept to a minimum. The above-mentioned risks are presented in the order of their significance. The ranking of these risks can vary per Sub-fund, however, and can change over time, for instance as the result of special market conditions.

## 20.37 Environmental, Social and Governance (ESG) Integration Risk

The Manager has categorized the Funds according to the Sustainable Finance Disclosure Regulation ((EU) Nr. 2019/2088) ("SFDR"). Related disclosures for SFDR Article 8 and 9 Funds have been implemented in the relevant Supplements and on the Website, as per the Commission Delegated Regulation (EU) 2019/2088 as amended from time to time.

The categorization and the related disclosures are based on the most recent applicable regulation. As the regulation and the market standards are in continuous development, it may not be possible or practicable for the Fund to hold the current assessment. The ESG-related information provided by the Manager may not meet the investor's criteria on ESG standards or characteristics. Investors are advised to carefully read the relevant documentation and determine whether the particular Fund meets their own ESG objectives.

Certain Funds integrate determined ESG criteria in their investment strategies. The consideration of ESG factors may expose the investment in a Fund to a material loss in value.

Environmental Risks: include risks arising from a negative impact on the environment, due to e.g., the greenhouse gas emissions a company produces, its waste of water or its impact on biodiversity.

Social Risks: consider risks related to negative factors such as lack of policies that address inequalities in the workplace or which address diversity and inclusion.

Governance Risks: refer to risks associated with weak governance structures, covering a range of matters including, but not limited to, board composition, executive compensation, or shareholder rights.

Additionally, the availability and quality of ESG data from the different ESG data providers, are subject to limitations and potential inaccuracies. There might be inconsistencies in how different data providers collect, measure and report ESG factors. Furthermore, ESG issues may face limited historical data availability.

The lack of rating methodologies standards, the inaccuracy and uncompletedness of the data and the potential insufficient historical records, may result in difficulties for the investors to assess the ESG profile of a company or to compare the ESG performance of similar funds.

Please also refer to the section Sustainability Risks of the relevant Supplement.

## 21 DIVIDEND POLICY

The dividend arrangements relating to each Fund will be decided by the Directors at the time of the creation of the relevant Fund and details are set out where applicable in the relevant Supplement.

Under the Articles, the Directors may declare such dividends on any Class of Shares at such times as they think appropriate and as appear to the Directors to be justified out of the profits of the relevant Fund, being net income and/or realised gains net of realised and unrealised loss of the relevant Fund or realised and unrealised gains net of realised and unrealised losses, provided in each case that dividends may only be paid out of funds available for the purpose which may be lawfully distributed.

The Company will be entitled to deduct an amount in respect of Irish tax from any distribution payable to any investor who is, or is deemed to be, or is acting on behalf of, a person who is Irish Resident or Ordinarily Resident in Ireland (and not an Exempt Irish Investor) and to pay such amount to the Irish Revenue Commissioners. Please refer to the section headed "Taxation".

Dividends not claimed within six years from their due date will lapse and revert to the relevant Fund. Dividends payable in cash to Shareholders will be paid by electronic transfer at the expense of the payee.

The dividend policy for each Fund and the type of Shares available therein are set out in the Supplement for the relevant Fund. Any change in the dividend policy for a Fund will be notified to all Shareholders in that Fund in advance and full details of such a change will be provided in an updated Supplement for that Fund.

The intention of the Company is for each of its Funds to qualify as exchange traded funds through having Shares listed on one or more stock exchanges. As part of those listings there is an obligation on one or more members of the relevant stock exchanges to act as market makers, offering prices at which the Shares can be purchased or sold by investors. The spread between the bid and offer price is typically monitored and regulated by the relevant stock exchange

The Company does not charge any subscription fee for purchases of Shares of those Funds on the secondary market.

Certain Authorised Participants who subscribe for Creation Units may act as market makers; other Authorised Participants are expected to subscribe for Shares in order to be able to offer to buy Shares from or sell Shares to their customers as part of their broker/dealer business. Through such Authorised Participants being able to subscribe for or redeem Shares, a liquid and efficient secondary market may develop over time on one or more relevant stock exchanges as they meet secondary market demand for such Shares. Through the operation of such a secondary market, persons who are not Authorised Participants will be able to buy Shares from or sell Shares to other secondary market investors or market makers, broker/dealers, or other Authorised Participants. Investors should be aware that on days other than Business Days or Dealing Days of an Fund, the spread between the quoted bid and offer prices in the Shares may widen and the difference between the market price of a Share and the last calculated Net Asset Value per Share may, after currency conversion, increase. The settlement of trades in Shares on stock exchange(s) will be through the facilities of one or more Recognised Clearing Systems following applicable procedures which are available from the stock exchange(s). Investors should also be aware that on such days the Index would not necessarily be calculated and available for investors in making their investment decisions because prices of the Index would not be available on such days.

Distributions of dividend and other payments with respect to Shares in a Fund will be credited, to the extent received by the custodian bank as depository, to the cash accounts of such settlement systems' participants in the case of a cash redemption or as part of the Cash Component in the case of an in specie redemption, in accordance with the system's rules and procedures. Any information to Shareholders will likewise be transmitted through the settlement systems.

Secondary market sales, purchases or transfers of Shares will be conducted and settled in accordance with the normal rules and operating procedures of the relevant stock exchange and settlement systems.

Orders to buy Shares in the secondary market through the relevant stock exchanges or over the counter may incur costs over which the Company has no control.

The price of any Shares traded on the secondary market will depend, inter alia, on market supply and demand, movements in the value of the underlying asset as well as other factors such as the prevailing financial market, corporate, economic and political conditions.

. For example, this may apply in cases of market disruption such as the absence of a market maker. In such situations, information will be communicated to the regulated market indicating that the Company is open for direct redemptions from the Company. Such secondary market investors wishing to redeem their Shares in such situations should refer to section 26 of the Prospectus and contact the Administrator for details on how to process such redemption requests. Only the actual costs of providing this facility (i.e. those costs associated with liquidating any underlying positions) will be charged to such secondary market investors and in any event, the fees in respect of any such redemptions shall not be excessive. The Manager's agreement to accept direct redemptions of any Shares when a secondary market disruption event occurs is conditional on the Shares being delivered back into the account of the Administrator. Such direct redemption requests shall only be accepted on delivery of the Shares.

## 23 INTRA-DAY PORTFOLIO VALUE (INAV)

The Investment Manager may at its discretion make available, or may designate other persons to make available on its behalf, on each Business Day, an intra-day portfolio value or iNAV for one or more Funds. If the Investment Manager makes such information available on any Business Day, the iNAV will be calculated based upon information available during the trading day or any portion of the trading day, and will ordinarily be based upon the current value of the securities portion of a Portfolio Deposit in effect on such Business Day, together with a cash amount which is generally approximately equal to the Cash Component as at the previous Business Day. The Investment Manager will make available an iNAV if this is required by any stock exchange.

Any iNAV is not, and should not be taken to be or relied on as being, the value of a Share or the price at which Shares may be subscribed for or redeemed in Creation Units or purchased or sold on any stock exchange. In particular, any iNAV provided for any Fund whose respective Index Securities are not actively traded during the time of publication of such iNAV may not reflect the true value of a Share, may be misleading and should not be relied on. The inability of the Investment Manager or its designee to provide an iNAV, on a real-time basis, or for any period of time, will not in itself result in a halt in the trading of the Shares on a stock exchange, which will be determined by the rules of the relevant stock exchange in the circumstances. Investors should be aware that the calculation and reporting of any iNAV may reflect time delays in the receipt of the relevant Index Securities prices in comparison to other calculated values based upon the same Index Securities including, for example, the Index itself or the iNAV of other exchange traded funds based on the same Index. Investors interested in subscribing for or redeeming Creation Units on the Primary Market or investors interested in purchasing or selling Shares on a stock exchange should not rely solely on any iNAV which is made available in making investment decisions, but should also consider other market information and relevant economic and other factors (including, where relevant, information regarding the Index, the Index Securities and financial instruments based on the Index corresponding to the relevant Fund). None of the Company, the Directors, the Investment Manager and the other service providers shall be liable to any person who relies on the iNAV.

## 24 ICSD SETTLEMENT SYSTEM

### 24.1 Clearing and Settlement

The Directors have resolved that settlement of trading in Shares of the Funds is centralised in an ICSD structure. Shares in the Funds will generally be issued in dematerialised form and no temporary documents of title or share certificates will be issued, other than the Global Share Certificate issued to the Common Depository's Nominee which is required for the ICSD settlement model (the ICSD being the Recognised Clearing Systems through which the Funds' Shares will be settled). The Funds will apply for admission for clearing and settlement through the applicable ICSD. The ICSD for the Funds will be Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, Société Anonyme, Luxembourg ("**Clearstream**").

Under the ICSD settlement model, all Shares in the Funds will ultimately settle in an ICSD but investors may have their holdings within Central Securities Depositories which will be Participants. All Shares in issue will be represented by a Global Share Certificate and the Global Share Certificate will be deposited with a Common Depository (being the entity nominated by the ICSD to hold the Global Share Certificate) and registered in the name of the Common Depository's Nominee on behalf of Euroclear and Clearstream and accepted for clearing through Euroclear and Clearstream. The applicable ICSD for an investor is dependent on the market in which the Shares are traded.

A purchaser of interests in Shares in the Funds will not be a registered Shareholder in the Company, but will hold an indirect beneficial interest in such Shares. Legal title to the Shares of the Funds will be held by the Common Depository's Nominee. The rights of the holder of the indirect beneficial interests in the Shares, where such person is a Participant in the ICSD, shall be governed by the terms and conditions applicable to the arrangement between such Participant and their ICSD and where the holder of the indirect beneficial interests in the Shares is not a Participant, shall be governed by their arrangement with their respective nominee, broker or Central Securities Depository (as appropriate) which may be a Participant or have an

arrangement with a Participant. The extent to which, and the manner in which, Participants may exercise any rights arising under the Shares will be determined by the respective rules and procedures of their ICSD. All references herein to actions by holders of the Global Share Certificate will refer to actions taken by the Common Depository's Nominee as registered Shareholder following instructions from the applicable ICSD upon receipt of instructions from its Participants. All distributions, notices, reports, and statements issued to such Shareholder by the Company shall be distributed to the Participants in accordance with such applicable ICSD's procedures.

Interests in the Shares represented by the Global Share Certificate will be transferable in accordance with applicable laws, any rules and procedures issued by the ICSDs and this Prospectus. Beneficial interests in such Shares will only be transferable in accordance with the rules and procedures for the time being of the relevant ICSD and this Prospectus.

## 24.2 Ownership and Investor Rights

Each Participant must look solely to its ICSD for documentary evidence of the amount of such Participant's interests in any Shares. Any certificate or other document issued by the relevant ICSD, as to the interest in such Shares standing to the account of any person shall be conclusive and binding as accurately representing such records. Each Participant must look solely to its ICSD for such Participant's (and therefore any person with an interest in the Shares) portion of each payment or distribution made by the Funds to or on the instructions of a Common Depository's Nominee and in relation to all other rights arising under the Shares.

Participants shall have no claim directly against the Company, the Funds, the Manager or any other person (other than their ICSD) relating to payments or distributions (if any) due in respect of the Shares which are made by the Company or the Funds to or on the instructions of the Common Depository's Nominee and such obligations of the Company shall be discharged thereby. The ICSD shall have no claim directly against the Company, the Funds, the Manager or any other person (other than the Common Depository).

The Company or its duly authorised agent may from time to time require the holder of the indirect beneficial interest in the Shares to provide them with information relating to: (a) the capacity in which they hold an interest in Shares; (b) the identity of any other person or persons then or previously interested in such Shares; (c) the nature of any such interests; and (d) any other matter where disclosure of such matter is required to enable compliance by the Company with applicable laws or the constitutional documents of the Company.

The Company or its duly authorised agent may from time to time request the applicable ICSD to provide the Company with certain details in relation to Participants that hold interests in Shares in each Fund including (but not limited to): ISIN, ICSD Participant name, ICSD Participant type (e.g. fund/bank/individual), residence of ICSD Participants, number of ETFs and holdings of the Participant within Euroclear and Clearstream, as appropriate including which Funds, types of Shares and the number of such interests in the Shares held by each such Participant, and details of any voting instructions given and the number of such interests in the Shares held by each such Participant. Euroclear and Clearstream. Participants which are holders of interests in Shares or intermediaries acting on behalf of such account holders will provide such information upon request of the ICSD or its duly authorised agent and have been authorised pursuant to the respective rules and procedures of Euroclear and Clearstream to disclose such information to the Company of the interest in Shares or to its duly authorised agent. Similarly, the Company or its duly authorised agent may from time to time request any Central Securities Depository to provide the Company with details in relation to Shares in each Fund or interests in Shares in each Fund held in each Central Securities Depository and details in relation to the holders of those Shares or interests in Shares, including (without limitation) holder types, residence, number and types of holdings and details of any voting instructions given by each holder. Holders of Shares and interests in Shares in a Central Securities Depository or intermediaries acting on behalf of such holders agree to the Central Securities Depository, pursuant to the respective rules and procedures of the relevant Central Securities Depository, disclosing such information to the Company or its duly authorised agent.

The holder of the indirect beneficial interest in the Shares may be required to agree to the applicable ICSD providing the identity of a Participant or investor to the Company upon their request.

#### 24.3 Notices of Meetings and the Exercise of Voting Rights through the ICSD

Notices of general meetings and associated documentation will be issued by the Company to the registered holder of the Shares i.e. the Common Depository's Nominee. Each Participant must look solely to its ICSD and the rules and procedures for the time being of the relevant ICSD governing onward delivery of such notices to the Participants and the Participant's right to exercise voting rights. Investors who are not Participants in the relevant ICSD would need to rely on their broker, nominee, custodian bank or other intermediary which is a Participant, or which has an arrangement with a Participant, in the relevant ICSD to receive any notices of Shareholder meetings of the Company and to relay their voting instructions to the relevant ICSD.

The Common Depository's Nominee has a contractual obligation to promptly notify the Common Depository of any Shareholder meetings of the Company and to relay any associated documentation issued by the Company to the Common Depository, which, in turn, has a contractual obligation to relay any such notices and documentation to the relevant ICSD. Each ICSD will, in turn, relay notices received from the Common Depository to its Participants in accordance with its rules and procedures. In accordance with their respective rules and procedures, each ICSD is contractually bound to collate and transfer all votes received from its Participants to the Common Depository and the Common Depository is, in turn, contractually bound to collate and transfer all votes received from each ICSD to the Common Depository's Nominee, which is obligated to vote in accordance with the Common Depository's voting instructions.

#### 24.4 International Paying Agent

The Manager will appoint a Paying Agent for Shares represented by the Global Share Certificate. In such capacity, the Paying Agent will be responsible for, among other things, ensuring that payments received by the Paying Agent from the Company are duly paid; maintaining independent records of securities, dividend payment amounts; and communicating information to the relevant International Central Securities Depository. Payment in respect of the Shares will be made through the relevant International Central Securities Depository in accordance with the standard practices of the applicable International Central Securities Depository. The Manager may vary or terminate the appointment of the Paying Agent or appoint additional or other registrars or paying agents or approve any change in the office through which any registrar or paying agent acts. Citibank, N.A., London Branch is currently appointed by the Manager as Paying Agent

### 25 APPLICATIONS FOR SHARES

The 'Primary Market' is the market on which Shares of the Funds are issued by the Company to Authorised Participants and/or certain brokers or redeemed by the Company from Authorised Participants and/or certain brokers. Only Authorised Participants are able to subscribe or redeem Shares on the Primary Market. Authorised Participants usually sell the Shares they subscribe on one or more stock exchanges, the Secondary Market, where such Shares become freely tradable. To become an Authorised Participant and to deal with a Fund in the Primary Market an applicant must enter into an authorised participant agreement with the Company which requires the applicant to satisfy certain eligibility criteria imposed by the Company on an ongoing basis. If the criteria set out in the authorised participant agreement cease to be met by any Authorised Participant at any time, the Manager and / or the Company may take such steps as it believes necessary to seek to ensure that the interests of the Company, a Fund and / or Shareholders are protected. Potential investors who are not Authorised Participants can purchase and sell the Shares of the Funds on the Secondary Market through a broker/dealer on a recognised stock exchange or OTC.

Investors (generally only Authorised Participants) can subscribe for or redeem their Creation Units (i) for cash and/or (ii) at the discretion of the Directors, in specie on any Dealing Day or (iii) in a combination of both. It is also possible for investors to buy or sell their Shares on the Secondary Market (as described above). The details on the specific cash and in specie subscription and redemption procedures are set out



below in the sections entitled **Cash Subscriptions and Redemptions of Creation Units** and **In Specie Subscription and In Specie Redemption of Creation Units**.

#### *Applications for Shares*

After the initial issue, Shares of all Classes will be issued at a price corresponding to the Net Asset Value per Share of the relevant Class. The Net Asset Value per Share of each Class in each Fund will be published in its respective Base Currency. Details of the Minimum Initial Subscriptions for each Fund and any charges are set out in the relevant Supplement.

Initial applications for Creation Units must be made in writing to the Administrator using the Application Form and an original Application Form and supporting documentation in relation to money laundering prevention checks must be received promptly. Thereafter, Shareholders may submit subsequent applications for Shares to the Administrator electronically or in such format or method as shall be agreed in advance in writing with the Administrator in accordance with the requirements of the Central Bank, without a requirement to submit original documentation.

Joint applicants must each sign the Application Form unless an acceptable power of attorney or other written authority is provided.

The Directors may restrict or prevent the ownership of Shares by any person, firm or corporate body, if in the opinion of the Directors such holding may be detrimental to the Company, if it may result in a breach of any law or regulation, whether Irish or foreign, or if as a result thereof the Company may become exposed to tax disadvantages or other financial disadvantages that it would not have otherwise incurred (such persons, firms or corporate bodies to be determined by the Directors being herein referred to as **Prohibited Persons**). In particular, the Directors have resolved to prevent the ownership of Shares by any US Person.

The Directors retain the right to offer only one Class of Shares for purchase by investors in any particular jurisdiction in order to conform to local law, custom or business practice. The Directors also reserve the right to adopt standards applicable to classes of investors or transactions that permit or require the purchase of a particular Class of Shares.

The Directors reserve the right to reject, in whole or in part, any application for Shares. In particular, if the Directors determine that it would be detrimental to the existing Shareholders to accept a cash application for Shares of any Fund which represents more than 10% of the Net Asset Value of such Fund, the Directors may decide that all or part of the application for Shares in excess of 10% be deferred until the next Dealing Day. If the Directors decide to defer all or part of the application in excess of 10% the applicant shall be informed prior to the deferral taking place.

Activities which may adversely affect the interests of the Company's Shareholders (for example, activities that disrupt the relevant Fund's investment strategies or impact expenses for the Fund) are not permitted. The Directors may, in their discretion, if they deem such activities adversely affect the interests of the Company's Shareholders, take action as appropriate to deter such activities.

#### *Use of Umbrella Cash Account*

Subscription monies received in respect of a Fund in advance of the issue of Shares will be held in the Umbrella Cash Account in the name of the Company and will be treated as a general asset of the relevant Fund. Investors will be unsecured creditors of the relevant Fund with respect to the amount subscribed and held by the Company until Shares are issued on the relevant Dealing Day. As such, investors will not benefit from any appreciation in the NAV of the relevant Fund or any other Shareholder rights (including dividend entitlement) until such time as Shares are issued on the relevant Dealing Day. In the event of an insolvency of the Fund or the Company, there is no guarantee that the Fund or Company will have sufficient funds to pay unsecured creditors in full.

Payment of redemption proceeds and dividends in respect of a particular Fund is subject to receipt by the Administrator of original subscription documents and compliance with all anti-money laundering procedures. Notwithstanding this, redeeming Shareholders will cease to be Shareholders, with regard to the redeemed Shares, and will be unsecured creditors of the particular Fund, from the relevant Dealing Day. Pending redemptions and distributions, including blocked redemptions or distributions, will, pending payment to the relevant Shareholder, be held in the Umbrella Cash Account in the name of the Company. Redeeming Shareholders and Shareholders entitled to such distributions will be unsecured creditors of the relevant Fund, and will not benefit from any appreciation in the NAV of the Fund or any other Shareholder rights (including further dividend entitlement), with respect to the redemption or distribution amount held in the Umbrella Cash Account. In the event of an insolvency of the relevant Fund or the Company, there is no guarantee that the Fund or the Company will have sufficient funds to pay unsecured creditors in full. Redeeming Shareholders and Shareholders entitled to distributions should ensure that any outstanding documentation and information is provided to the Administrator promptly. Failure to do so is at such Shareholder's own risk.

In the event of the insolvency of a Fund, recovery of any amounts held in the Umbrella Cash Account to which another Fund is entitled, but which may have transferred to the insolvent Fund as a result of the operation of the Umbrella Cash Account, will be subject to the principles of Irish insolvency law and the terms of the operational procedures for the Umbrella Cash Account. There may be delays in effecting and / or disputes as to the recovery of such amounts, and the insolvent Fund may have insufficient funds to repay amounts due to other Funds.

#### *Form of Shares*

Shares in a Fund will be issued in Dematerialised Form in the ICSD subject to the issue of a Global Share Certificate (where required by the ICSD in which the Shares are held). The ICSD for the Funds are currently Euroclear and Clearstream and any successor entity thereto. No individual certificates for Shares will be issued by the Company. The Global Share Certificate will be deposited with the relevant common depository (being the entity nominated by the relevant ICSD to hold the Global Share Certificate) and registered in the name of the relevant Common Depository Nominee (being the registered legal holder of the Shares of the Fund, as nominated by the Common Depository) on behalf of Euroclear and Clearstream and accepted for clearing through Euroclear and Clearstream. The Common Depository Nominee will appear as a Shareholder on the register of Shareholders in respect of such Shares and be the registered legal holder of such Shares. Interests in the Shares represented by the Global Share Certificate will be transferable in accordance with applicable laws and any rules and procedures issued by the ICSD. As a result, purchasers of Shares in the Funds in the Secondary Market will not be recorded as Shareholders on the register of Shareholders of the Company, but will hold a beneficial interest in such Shares and the rights of such investors will be governed by their ICSD and otherwise by the arrangement with their agreement with their nominee, broker or central securities depository as appropriate.

### **25.1 Cash Subscriptions and Redemptions of Creation Units**

An investor may subscribe for or redeem Shares for cash, only in Creation Units, on each Dealing Day (except during any period in which the calculation of the Net Asset Value is suspended) as described below.

#### **25.1.1 Cash Transaction Fee**

All subscriptions and redemptions for cash will be subject to a Cash Transaction Fee, as specified for each Fund in the relevant Supplement. The Cash Transaction Fee is payable to the Company or the Administrator as agent for the Company to offset the costs and expenses incurred by the Company or the Administrator as agent for the Company in dealing in cash for that subscription or redemption. It will be added to the requisite subscription amount or deducted from the redemption proceeds, as the case may be.

The Directors may reduce the amount of the Cash Transaction Fee at their discretion, or if this is a requirement of the local law or practice of any country in which the Creation Units are offered.

#### 25.1.2 ***Procedures for Subscriptions or Redemptions for Cash***

Applications for cash subscriptions or redemptions received by the Administrator on any Business Day before the relevant Dealing Deadline will be processed by the Administrator on that Business Day at the next calculated Net Asset Value per Share. Applications for cash subscriptions or redemption requests received after the relevant Dealing Deadline on a given Business Day will, unless the Directors or Manager, in exceptional circumstances, otherwise agree and provided they are received before the Valuation Point for the relevant Dealing Day, be processed as though received on the next Business Day. Applications for subscription will be binding and irrevocable unless the Directors, or a delegatee, otherwise agree.

Shareholders wishing to subscribe or redeem Creation Units for cash may do so by notifying the Administrator of the Shareholder's wish to subscribe or redeem in cash denominated either in the Base Currency of the Fund or the local currency (at an exchange rate applied by the transfer agency department within the Administrator), are to be debited or credited, respectively. Delivery instructions are available from the Administrator upon written request. A properly completed redemption instruction must be received by the Administrator by electronic means. On a redemption, the Depositary will release cash at the instruction of the Administrator.

Cash subscriptions must be received by the relevant Settlement Date. The Company and the Manager reserve the right, in their sole discretion, to require the applicant to indemnify the Company against any losses, costs or expenses arising as a result of a Fund's failure to receive payment by the relevant Settlement Date.

#### 25.1.3 ***Payment Procedures for Redemptions for Cash***

Payment for Creation Units redeemed will be effected within ten Business Days after the relevant Dealing Day on which the application for redemption is accepted (assuming the Shares have been transferred into the Company's account at a clearing system). Redemption proceeds in either the Base Currency of the Fund or other local currency (at an exchange rate applied by the transfer agency department within the Administrator) will be paid by electronic transfer to the appropriate bank account designated by the Shareholder in the Application Form. The cost of any transfer of proceeds by electronic transfer may be deducted from such proceeds. The redemption proceeds will be paid net of the Cash Transaction Fee and any electronic transfer costs. Shareholders are reminded that, because of market fluctuations, transaction fees and other factors, the redemption proceeds can be higher or lower than the initial subscription amount.

#### 25.1.4 ***Creation Units***

The minimum number of Shares for cash creations or redemptions is one Creation Unit (corresponding in each case to the number of Shares indicated for that Fund in the relevant Supplement). Applications for the subscription or redemption of Creation Units for cash in that Company must be in integer multiples of that Fund's Creation Unit size.

### 25.2 **In Specie Subscription and In Specie Redemption of Creation Units**

At the discretion of the Directors, each Fund may allow investors to subscribe for and redeem Shares in specie, only in Creation Units, on each Dealing Day (except during any period in which the calculation of the Net Asset Value is suspended) subject to the relevant asset allocation being approved by the Depositary. **In specie** means that, rather than receiving cash in respect of a subscription and delivering cash proceeds in respect of a redemption, the Fund will receive and deliver securities (or predominantly securities) acceptable to the Investment Manager and set out in the Portfolio Composition File. At the discretion of the Directors, each Fund may satisfy a redemption request of Creation Units in specie subject to the consent of the individual Shareholders, the approval of the asset allocation by the Depositary and provided that such a distribution would not be prejudicial to the interests of the remaining Shareholders of the Fund.

Securities delivered in connection with in specie subscription requests must be securities which the Fund may acquire pursuant to its investment objective, policies and restrictions, and will be valued in accordance with the provisions of this Prospectus. The value attributed to securities delivered in connection with in specie subscription or redemption requests will be equivalent to that for cash subscriptions/redemptions, and no Shares shall be issued until all securities and cash payable to the Depositary (or a permitted collateral amount) are vested in the Depositary and the Depositary is satisfied that there is unlikely to be any material prejudice to Shareholders of the Company.

#### **25.2.1    *Subscription Price***

The Initial Issue Price per Share and/or per Creation Unit for each Fund shall be set out in the relevant Supplement. Thereafter, the subscription price for each further Creation Unit will be the aggregate of the daily Net Asset Values per Share of the Shares comprising the Creation Unit plus, in respect of each Creation Unit, the relevant In Specie Transaction Fee (as set out in the relevant Supplement) and, if applicable, any Transfer Taxes and any additional payments in the event of failure to deliver the Portfolio Deposit as described below. The subscription price per Creation Unit will be payable by transferring the securities portion of the Portfolio Deposit, plus or minus (as the case may be) the Cash Component of the Portfolio Deposit, plus a cash amount equal to the relevant In Specie Transaction Fee and any applicable Transfer Taxes.

The minimum number of Shares for in specie subscriptions is one Creation Unit (corresponding in each case to the number of Shares indicated for that Fund in the relevant Fund's Supplement). Applications for the subscription of Shares in specie in that Fund must be in integer multiples of that Fund's Creation Unit size.

#### **25.2.2    *Redemption Price***

The redemption price for each Creation Unit will equal the aggregate of the Daily Net Asset Values per Share of the Shares comprising the Creation Unit less, in respect of each Creation Unit, the relevant In Specie Transaction Fee and, if applicable, any Transfer Taxes. The redemption price per Creation Unit will be payable by transferring the securities portion of the Portfolio Deposit, plus or minus (as the case may be) a cash amount ordinarily equal to the Cash Component of the Portfolio Deposit, less a cash amount equal to the relevant In Specie Transaction Fee and any applicable Transfer Taxes.

#### **25.2.3    *Creation Units***

The minimum number of Shares for in specie creations or redemptions is one Creation Unit (corresponding in each case to the number of Shares indicated for that Fund in the relevant Supplement). Applications for the subscription or redemption of Creation Units in specie in that Fund must be in integer multiples of that Fund's Creation Unit size.

#### **25.2.4    *Procedure for Subscribing for Creation Units In Specie***

Publication of Portfolio Composition File

The Administrator will publish the Portfolio Composition File via one or more market data suppliers and on the Website.

*Applications for in specie Subscription*

Applications for in specie subscriptions for Creation Units must be received by the Administrator on any Dealing Day before the Dealing Deadline in accordance with the specific procedures made available by the Administrator. Except when the calculation of the Net Asset Value per Share is suspended, or as otherwise determined by the Company in respect of a Fund, all applications for

in specie subscriptions will be binding and irrevocable. The Board of Directors (or a delegate) may in its sole discretion decide to reject any application for subscription in whole or in part.

If a properly made application is received before the relevant Dealing Deadline on the relevant Dealing Day, the Administrator will accept receipt of the application on that Dealing Day. Receipt of any properly made application received by the Administrator after the Dealing Deadline on the relevant Dealing Day will not be accepted until the following Dealing Day (unless the Directors, in exceptional circumstances, otherwise agree and provided they are received before the Valuation Point for the relevant Dealing Day).

#### *Notification of Cash Component, In Specie Transaction Fee and Transfer Taxes*

On the Business Day after the Dealing Day on which receipt is accepted, the Administrator will report to the applicant the amounts of the Cash Component, In Specie Transaction Fee and Transfer Taxes, if any, to be delivered by the applicant to the Depositary with the Portfolio Deposit. In limited circumstances, the securities portion of the Portfolio Deposit may differ from the Portfolio Composition File as a result of corporate actions or events affecting the securities detailed therein. The Company reserves the right to permit delivery of a previously agreed basket of securities by way of a Portfolio Deposit which is different from the Portfolio Composition File. Delivery of securities in the Portfolio Deposit will be on a free delivery settlement basis. In certain circumstances, and with advanced disclosure to the applicant, the Administrator, at its sole discretion, may permit or require that a portion of the Cash Component itself be deliverable in specie in one or more securities which are eligible security holdings of the Fund.

#### *Settlement Period*

The standard settlement period for in specie subscriptions will normally be within ten Business Days following the Business Day on which the application for subscription is accepted but shall not (in the absence of appropriate collateral being posted) in any event exceed ten Business Days from the relevant Dealing Deadline. Investors should refer to the relevant Supplement of each Fund for further details. No Shares of a Creation Unit will be issued to the applicant until all the securities in the Portfolio Deposit have been received by the Depositary and the requisite Cash Component, In Specie Transaction Fee and, if applicable, Transfer Taxes have been received by the Depositary.

#### *Failure to Deliver Securities*

In the event that an applicant fails to deliver to the Depositary one or more of the securities set out in the Portfolio Composition File by the designated time, the Company may reject the application for subscription, or may require the applicant to pay to it, in cash, a collateral sum at least equal to 105% of the closing value of such undelivered securities as at the Valuation Point for the relevant Dealing Day, marked to market until the date of delivery of such undelivered securities or the date on which the Fund acquires such securities in the open market, plus any costs or expenses and, if applicable, Transfer Taxes associated with the purchase by the Fund of those securities or may require a letter of credit acceptable to it for such purpose. On the payment of such amounts, the relevant Creation Unit(s) will be issued. In the event that the actual cost to the Fund of acquiring the securities (including costs or expenses and any Transfer Taxes) exceeds the aggregate of the value of such securities as at the Valuation Point for the relevant Dealing Day, the In Specie Transaction Fee and, if applicable, the Transfer Taxes paid by the applicant, the applicant will be required to promptly reimburse the Fund the difference on demand. The Company will have the right to sell or redeem all or part of the applicant's holding of Creation Units in the Fund (or any other Fund) in order to meet some or all of these charges.

### **25.2.5 Procedures for Redeeming Creation Units In Specie**

#### *Publication of Portfolio Composition File*

The Administrator will publish the Portfolio Composition File via one or more market data suppliers and on the Website.

#### *Applications for in specie Redemption*

Applications for in specie redemptions of Creation Units must be made to the Administrator before the Dealing Deadline in accordance with the specific procedures made available by the Administrator. Except when the calculation of the Net Asset Value per Share is suspended, or as otherwise determined by the Company, all applications for in specie redemptions will be binding and irrevocable.

If a properly made application for redemption is received before the Dealing Deadline, the Administrator will accept receipt of that application on that Dealing Day. Receipt of any properly made application for redemption received by the Administrator after the Dealing Deadline will not be accepted until the following Dealing Day (unless the Directors or Manager, in exceptional circumstances, otherwise agree and provided they are received before the Valuation Point for the relevant Dealing Day).

If a redeeming investor requests redemption of a number of Creation Units representing 5% or more of the Net Asset Value of a Fund, the Directors may, in their discretion (and with the investors' consent, unless the original subscription was made in specie), redeem the Creation Units by way of a redemption in specie and in such circumstances the Directors will, if requested by the redeeming investor, sell the Investments on behalf of the investor. (The cost of the sale can be charged to the investor).

No delivery instructions will be issued by the Administrator to the Depositary in relation to the securities or cash in the Portfolio Deposit until the Administrator has accepted the application for redemption in relation to all Shares of the Creation Unit(s) being redeemed (such day, the **Cancellation Day**). Delivery of securities will be on a free delivery settlement basis. The cost of any settlement by telegraphic transfer will be charged to and payable by the applicant for redemption.

#### *Notification of Cash Component, In Specie Transaction Fee and any Transfer Taxes*

On the Business Day after the Dealing Day on which receipt is accepted, the Administrator will report to the applicant the amount of the Cash Component to be delivered by the Depositary to the applicant with the Portfolio Deposit and the amounts of the In Specie Transaction Fee and Transfer Taxes, if any, to be deducted by the Depositary from the redemption proceeds. In limited circumstances, the securities portion of the Portfolio Deposit may differ from the Portfolio Composition File as a result of corporate actions or events affecting the securities detailed therein. The Company reserves the right to have the Depositary deliver to a person redeeming a previously agreed basket of securities by way of a Portfolio Deposit which is different from the Portfolio Composition File, provided that the value of the alternative basket of securities will equal the value of at least one Creation Unit. In certain circumstances, and with advanced disclosure to the applicant, the Administrator, within its sole discretion, may permit or require that a portion of the Cash Component itself be deliverable in specie in one or more securities which are comprised in the Portfolio Composition File.

#### *Settlement Period*

The standard settlement period for in specie redemptions will normally be made within ten Business Days following the Business Day on which the application for redemption is accepted. This may vary depending upon the standard settlement periods of the different stock exchanges on which the Shares are traded and the securities in the Portfolio Deposit although it will not exceed ten Business Days from the Dealing Deadline. Investors should refer to the relevant Supplement

of each Fund for further details. Any cash to be paid in respect of an in specie redemption will be paid on the same day as settlement of the securities.

#### *Partial Cash Settlement*

The Company may, in its absolute discretion, satisfy part of the application for in specie redemption in cash, for example in cases in which it believes that a security held by a Fund is unavailable for delivery or where it believes that an insufficient amount of that security is held for delivery to the applicant for redemption in specie.

Investors should note that they may be unable to redeem Shares via an Authorised Participant on days that any such Authorised Participant is not open for business.

### 25.3 General Provisions

The Directors reserve the right to reject any application or to accept any application in part only. Furthermore, the Directors reserve the right at any time, without notice, to discontinue the issue and sale of Shares of any Fund of the Company.

No Shares will be issued during any period when the calculation of the Net Asset Value per Share of the relevant Fund is suspended pursuant to the Articles and as discussed herein in the section entitled **Suspension of Calculation of Net Asset Value**.

Notice of any such suspension will be given to applicants for Shares and applications made or pending during such suspension may be withdrawn by notice in writing received by the Company prior to the end of such suspension. Applications which are not withdrawn will be considered on the first Dealing Day following the end of the suspension period.

Measures provided for in the Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010 to 2018 (as may be amended, supplemented or consolidated from time to time) which are aimed towards the prevention of money laundering may require detailed verification of each applicant's identity; for example an individual may be required to produce a duly certified copy of his passport or identification card together with evidence of his address such as a utility bill or bank statement and his date of birth. In the case of corporate applicants this may require, without limitation, production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), the names, occupations, dates of birth and residential and business address of the directors of such corporate applicants.

Depending on the circumstances of each application, a detailed verification may not be required where; (a) the application is made through a recognised intermediary or (b) investment is made by a recognised intermediary or financial institution. These exceptions will only apply if the financial institution or intermediary referred to above is located in a country which has equivalent anti money laundering legislation to that in place in Ireland.

The Administrator and the Manager reserve the right to request such information as is necessary to verify the identity of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator may refuse to accept the application and subscription monies.

The applicant acknowledges that due to anti-money laundering requirements operating within their respective jurisdictions, the Administrator and the Manager (as the case may be) may require further identification of the applicant before an application or redemption can be processed and the Administrator, the Manager, the Investment Manager and the Company shall be held harmless and indemnified against any loss arising as a result of a delay or failure to process the application or redemption if such information as has been required by the parties referred to has not been provided by the subscriber.

## 25.4 Compulsory Redemption

If the Net Asset Value of any Fund on a given Dealing Day shall become at any time less than that determined from time to time by the Directors, the Directors may, at their discretion, redeem all but not less than all of the Shares of the applicable Classes of Shares then outstanding at the redemption price calculated on the Expiration Date (as hereinafter defined). However, the Company must (i) provide at least four weeks' prior written notice of redemption to all Shareholders of the Classes of Shares to be redeemed, such notice expiring on the following Dealing Day (the **Expiration Date**) and (ii) redeem such Shares within four weeks following such Expiration Date. Shareholders shall be notified in writing of any such redemption. In circumstances where a Fund is unable to replicate the relevant Index and unable to substitute another index for the Index or it is or becomes impossible or impractical for the Company to enter into, continue with or maintain FDIs relating to the Index for a Fund or to invest in stocks comprised within the particular Index, the Directors may resolve to compulsorily redeem investors and may subsequently terminate the Fund.

If it shall come to the attention of the Directors, or if the Directors shall have reason to believe, at any time that Shares are beneficially owned by or on behalf of a Prohibited Person, either alone or in conjunction with any other person, and the Prohibited Person fails to comply with the direction of the Company to sell his Shares and to provide the Directors with evidence of such sale within twenty one days of being so directed by the Directors, the Directors may in their absolute discretion compulsorily redeem such Shares in accordance with the Articles. Immediately after the close of business specified in the notice given by the Company to the Prohibited Person of such compulsory redemption, the Shares will be redeemed and such investor will cease to be the owner of such Shares. The Company may require any Shareholder or prospective Shareholder to furnish it with any information which it may consider necessary for the purpose of determining whether or not the beneficial owner of such Shares is or will be a Prohibited Person. In particular, the Company may require the Shareholder or prospective Shareholder to provide the Company with information as to whether such person is a U.S. Person.

## 26 ISSUE AND REDEMPTION PRICES / CALCULATION OF NET ASSET VALUE / VALUATION OF ASSETS

The Initial Issue Price for Shares of each Fund shall be the amount(s) set out in the Supplement for the relevant Fund.

The price at which Shares of any Fund will be issued on a Dealing Day, after the initial issue, is calculated by ascertaining the Net Asset Value of the relevant Fund (i.e. the value of the assets of the Fund having deducted the liabilities of the Fund therefrom) as at the Valuation Point for that Fund for the relevant Dealing Day. The Net Asset Value per Share of the relevant Fund is calculated by dividing the Net Asset Value of the relevant Fund, by the total number of Shares in issue in the Fund at the relevant Valuation Point and rounding the result to four decimal places. Where applicable, the Net Asset Value per Share of each Class in a Fund is calculated by determining that portion of the Net Asset Value of the Fund which is attributable to the relevant Class and by dividing this sum by the total number of Shares of the relevant Class in issue at the relevant Valuation Point and rounding the resulting amount to four decimal places. If a Fund has more than one Class of Shares, additional fees may be charged against certain Classes, and details of such fees will be set forth in the Supplements for the relevant Fund. This may result in the Net Asset Value per Share of each Class being different. The Valuation Point for each Fund is set out in the Supplement for the relevant Fund.

The price at which Shares will be issued on a Dealing Day is, subject as hereinafter provided, the Net Asset Value per Share of the relevant Class which is calculated in the manner described above. The Company may, in calculating the issue price, include in the issue price in respect of each Fund, for its own account, a charge sufficient to cover stamp duties and taxation (if any) in respect of the issue of Shares. The Company may also add a charge in respect of fiscal and purchase charges. In the event of fiscal and purchase charges being levied, details of any such charge will be disclosed in the relevant Supplement.

The price at which Shares will be redeemed on a Dealing Day, is subject as hereinafter provided, the Net Asset Value per Share of the relevant Class which is calculated in the manner described above. The



Company may, in calculating the redemption price, deduct from the Net Asset Value per Share a charge in respect of fiscal and sales charges. In the event of fiscal and sales charges being levied, details of any such charge will be disclosed in the relevant Supplement.

The Company may, in calculating the redemption price, deduct such sum as the Directors consider fair in respect of redemption requests which necessitate the need for borrowing, the breaking of deposits at a penalty or the realisation of investments at a discount.

The Articles provide for the method of valuation of the assets and liabilities of each Fund.

In particular, the Articles provide that the Assets of the Company and/or of any Fund (which is regulated as a money market fund under the Central Bank's guidelines) may be valued at their amortised cost in accordance with the requirements of the Central Bank. Where an amortised cost valuation method is utilised, an Investment is valued at its cost of acquisition adjusted for amortisation of premium or accretions of discount rather than at current market value.

The value of any investments quoted, listed or dealt in on a Market shall be the last traded price on the relevant market at the relevant Valuation Point provided that the value of an Investment listed or dealt in on a Market but acquired or traded at a premium or at a discount outside or off the relevant stock exchange market may be valued taking into account the level of premium or discount as at the date of valuation of the Investment with the approval of the Depositary, who must ensure that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the Investment. Such premiums or discounts shall be determined by the Directors and approved by the Depositary. Where any investment is quoted, listed or traded on or under the rules of more than one Market, the Directors shall, in their absolute discretion, select the Market, which in their opinion, constitutes the main Market for such investment, or the market which they determine provides the fairest criteria in a value for the security.

The value of any Investment which is not quoted listed or traded in on a Market or of any Investment which is normally quoted, listed or traded in on a Market but in respect of which no price is currently available or the current price of which does not in the opinion of the Directors, represent fair market value, the value thereof shall be the probable realisation value estimated with care and in good faith by the Manager or the Directors or their duly authorised delegate or by a competent person appointed by the Directors or their duly authorised delegate, in each case approved, for such purpose, by the Depositary or any other means provided that the value is approved by the Depositary. In determining the probable realisation value of any such Investment, the Directors or their duly authorised delegate may accept a certified valuation thereof provided by a competent independent person or in the absence of any independent person, the Investment Manager and/or investment adviser (notwithstanding that a conflict of interests arises because the Investment Manager and/or investment adviser has an interest in the valuation), who in each case shall have been approved by the Depositary to value the relevant securities. Where reliable market quotations are not available for fixed income securities, the value of such securities may be determined by reference to the valuation of other securities which are comparable in rating, yield, due date and other characteristics. The matrix methodology will be compiled by the Directors or their duly authorised delegate or a competent person, firm or corporation appointed by the Directors or their duly authorised delegate and in each case approved for such purpose by the Depositary.

Cash and other liquid assets together with any prepaid expenses, cash dividends and interest declared or accrued and not yet received as at a Valuation Point shall be deemed to be the face value thereof unless in any case the Directors or their duly authorised delegate are of the opinion that the same is unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Directors or their duly authorised delegate may consider appropriate in such case to reflect the true value thereof as at any Valuation Point.

Certificates of deposit, treasury bills, bank acceptances, trade bills and other negotiable instruments shall each be valued at each Valuation Point at the latest available middle market dealing price on the Market on which these assets are traded or admitted for trading (being the Market which is the sole market or in the

opinion of the Directors or their duly authorised delegate the principal market on which the assets in question are quoted or dealt in) plus any interest accrued thereon from the date on which same were acquired

The value of any demand notes, promissory notes and accounts receivable shall be deemed to be the face value or full amount thereof after making such discount as the Directors may consider appropriate to reflect the true current value thereof as at any Valuation Point.

Forward foreign exchange contracts which are dealt in on a Market shall be valued by reference to freely available market maker quotations, namely, the price at which a new forward contract of the same size and maturity could be undertaken provided that if such price is not available, the value of any such forward foreign exchange contracts shall be valued in the same manner as over the counter derivatives. The valuation will be verified weekly by a party independent of the counterparty, who has been approved for such purpose by the Depositary. Valuation may also be made by reference to the price at which a new forward contract of the same size and maturity could be undertaken.

The value of any exchange traded futures contracts, share price index futures contracts and options and other derivative contracts shall be the settlement price, as determined by the Market in question, as at the relevant Valuation Point, provided that where it is not the practice for the relevant Market to quote a settlement price or such settlement price is not available for any reason as at the relevant Valuation Point, such value shall be the probable realisation value thereof estimated with care and in good faith by the Directors or another competent person appointed by the Directors provided that the Directors or such other competent person have been approved for the purpose by the Depositary.

The value of any off-exchange traded derivative contracts shall be the quotation from the counterparty to such contracts at the Valuation Point and shall be valued daily. The valuation will be approved or verified at least weekly by a party independent of the counterparty who has been approved for such purpose by the Depositary. Alternatively, the value of any over-the-counter derivative contract may be the quotation from an independent pricing vendor or that calculated by the Company itself and shall also be valued daily. Where the alternative valuation is used the Company must follow international best practice and adhere to specific principles or such valuation by bodies such as IOSCO and AIMA. Any such alternative valuation must be provided by a competent person appointed by the Directors or their duly authorised delegate and approved for the purpose by the Depositary, or a valuation by any other means provided that the value is approved by the Depositary. Any such alternative valuation must be reconciled to the counterparty valuation on a monthly basis. Where significant differences arise these must be promptly investigated and explained.

The value of units or shares or other similar participations in any collective investment scheme which provides for the units or shares or other similar participations therein to be redeemed at the option of the holder out of the assets of that undertaking shall be the last available Net Asset Value per unit or share or other similar participation as published by the relevant collective investment scheme as at the relevant Valuation Point or, if bid and offer prices are published, at the last available bid price.

In the event of substantial or recurring net subscriptions, the Directors or their authorised delegate may adjust the Net Asset Value per Share to reflect the value of the Company's Investments using the lowest market dealing offer price as at the relevant Valuation Point in order to preserve the value of the shareholding of continuing Shareholders. In the event of substantial or recurring net repurchases, the Directors may adjust the Net Asset Value per Share to reflect the value of the Company's Investments using the lowest market dealing bid price as at the relevant Valuation Point in order to preserve the value of the shareholding of continuing Shareholders. Where any such adjustment is made, it shall be applied consistently with respect to the assets of the Fund and no additional Anti-Dilution Levy will be applied.

If in any case a particular value is not ascertainable as provided above or if the Directors or their duly authorised delegate shall consider that some other method of valuation better reflects the fair value of the relevant Investment, then in such case the method of valuation of the relevant Investment shall be such as the Directors or their duly authorised delegate in their absolute discretion shall determine, such method of valuation to be approved by the Depositary.

Any value expressed otherwise than in the Base Currency of the relevant Fund (whether of any investment or cash) and any non- Base Currency borrowing shall be converted into the Base Currency at the rate (whether official or otherwise) which the Directors shall determine to be appropriate in the circumstances.

Notwithstanding the generality of the foregoing, the Directors or their duly authorised delegate may with the approval of the Depositary adjust the value of any investment if taking into account currency, marketability and/or such other considerations as they or their duly authorised delegate may deem relevant, such as, applicable rate of interest, anticipated rate of dividend, maturity or liquidity, they or their duly authorised delegate consider that such adjustment is required to reflect the fair value thereof.

In the case of the Funds whose investment objective is to replicate a particular index and where there is significant overlap between the assets of the relevant Fund and its Index, the assets of such Fund may be valued in accordance with the valuation methodology for such Investments which is utilised by the relevant index. Such valuation methodology may include valuing Investments using the closing mid-market or latest mid-market, last traded, closing bid and/or last bid prices. Where such valuation methodology is utilised details will be disclosed in the relevant Supplement.

Fair value pricing may be used in a variety of circumstances, including but not limited to, situations when the value of an investment has been materially affected by events occurring after the close of the market on which the investment is principally traded (such as a corporate action or other news that may materially affect the price of the investment) or trading has been suspended or halted.

## **27 SUSPENSION OF CALCULATION OF NET ASSET VALUE**

The Directors may at any time temporarily suspend the calculation of the Net Asset Value of any Fund and the right of Shareholders to subscribe for or to require the redemption or exchange of Shares of any Class during: (i) the whole or any part of any period when any of the principal markets or stock exchanges on which a substantial part of the investments of the relevant Fund are quoted, listed traded or dealt in is closed, otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; or (ii) the whole or any part of any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of investments or a substantial portion of investments of the relevant Fund is not reasonably practicable without this being seriously detrimental to the interests of Shareholders of the relevant Fund or if, in the opinion of the Directors, the Net Asset Value of the Fund cannot be fairly be calculated or if it is not possible to transfer monies involved in the acquisition or disposition of Investments to or from the relevant account of the Company; or (iii) any breakdown in the means of communication normally employed in determining the price of a substantial portion of the Investments of the relevant Fund, or when, for any other reason the current prices on any Market of any of the Investments of the relevant Fund cannot be reasonably, promptly and accurately ascertained; or (iv) any period during which the whole or any part of any subscriptions cannot be transmitted to or from the account of the Company or the Fund or the Directors are unable to liquidate funds required for the purpose of making payments due on redemption of Shares of any Class in the relevant Fund; or (v) any period during which the transfer of funds involved in the acquisition or realisation of investments of the relevant Fund or payments due on redemption of Shares cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange; or (vi) any period where in the opinion of the Directors such suspension is justified having regard to the interests of the relevant Fund; or (vii) following the circulation to the relevant Shareholders of a notice of a general meeting at which a resolution proposing to wind-up the Company or terminate the relevant Fund is to be considered; or (viii) when any other reason makes it impracticable to determine the value of a meaningful portion of the Investments of the Company or any Fund; or (ix) any period during which the Directors, in their discretion, consider suspension to be required for the purposes of effecting a merger, amalgamation or restructuring of a Fund or of the Company; or (x) it becomes where it is or becomes impossible or impractical to enter into, continue with or maintain FDIs relating to the Index for the relevant Fund or to invest in stocks comprised within the particular Index; or (xi) where such suspension is required by the Central Bank in accordance with the Regulations. The Company will, whenever possible, take all reasonable steps to bring any period of suspension to an end as soon as possible.

Shareholders who have requested issue or redemptions of Shares of any Class or exchanges of Shares of one Fund to another will be notified of any such suspension in such manner as may be directed by the Directors and their requests will be dealt with on the first Dealing Day after the suspension is lifted. Any such suspension shall be notified immediately and in any event within the same Business Day, to the Central Bank and to the competent authorities in any jurisdiction where the Company (and its relevant Funds) is registered for sale and to the relevant stock exchanges where the Shares of the relevant Fund are listed.

## **28 MANAGEMENT CHARGES AND EXPENSES**

The Company employs a single fee structure for its Funds, with each Fund paying a single flat fee out of the assets of the relevant Fund (the Total Fee) as disclosed in the relevant Supplement to the Manager. The Total Fee will cover all of the ordinary fees, operating costs and expenses payable by each Fund including fees and expenses paid to the Manager, all ordinary costs and expenses connected with the management and operating activities of the relevant Fund, including investment management and advisory fees, Director's fees, registration, transfer agency, administration and custody fees, registrar fees, regulators and auditors and certain legal expenses of the Company. The Total Fee does not include extraordinary costs and expenses (including but not limited to transaction charges, stamp duty or other taxes on the investments of the Company including duty charges for portfolio re-balancing, withholding taxes, commissions and brokerage fees incurred with respect to the Company's investments, interest on any non-overdraft credit facility and charges incurred in negotiating, effecting or varying the terms of such facility, any commissions charged by intermediaries in relation to an investment in the Fund and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the Company all of which will be paid separately out of the assets of the relevant Fund). The Total Fee is calculated and accrued daily from the current Net Asset Value of the relevant Fund and shall be payable monthly in arrears. The Total Fee for each Fund is set out in the Supplement for the relevant Fund.

In the event a Fund's costs and expenses in connection with the operation of the Fund which are intended to be covered within the Total Fee exceed the stated Total Fee, the Manager will discharge any excess amounts out of its own assets.

Whilst it is anticipated that the Total Fee borne by a Fund shall not exceed the amounts set out in the relevant Supplement during the life of a Fund such amounts may be increased from time to time. Any such increase will be subject to the prior approval of the Shareholders of the relevant Fund evidenced either by a majority vote at a meeting of Shareholders or by a written resolution of all of the Shareholders.

## **29 GENERAL CHARGES AND EXPENSES**

### **29.1 Share Dealing Charges**

Details of the Cash Transaction Fee, In Specie Transaction Fee, Transfer Taxes and any other charges payable on the exchange of Shares (if any) are set out in respect of the Shares of each Fund in the Supplement for the relevant Fund.

### **29.2 Directors' Remuneration**

The Manager has agreed to discharge all Directors' fees and expenses including out-of-pocket expenses out of the Total Fee.

## **30 SOFT COMMISSIONS**

It is not currently intended that any soft commission arrangements will be made in respect of the Company. In the event that the Manager or Investment Manager or any of their subsidiaries, affiliates, associates, agents or delegates do enter into soft commission arrangement(s) they shall ensure that (i) the broker or counterparty to the arrangement will agree to provide best execution to the Company; (ii) the benefits under the arrangement(s) shall be those which assist in the provision of investment services to the relevant Fund and (iii) brokerage rates will not be in excess of customary institutional full service brokerage rates. Details

of any such arrangements will be contained in the next following report of the Company. In the event that this is the unaudited semi-annual report, details shall also be included in the following annual report.

## 31 **EU BENCHMARK REGULATION**

The EU Benchmark Regulation entered into force in June 2016 and became fully applicable in the EU on 1 January 2018 (save that certain provisions, including those related to 'critical benchmarks', took effect on 30 June 2016), subject to certain transitional provisions. The EU Benchmark Regulation applies to 'contributors' to, 'administrators' of, and 'users' of benchmarks in the EU. When fully applicable, it will, among other things, (a) require EU benchmark administrators to be authorised or registered and to comply with requirements relating to the administration of benchmarks, (b) prohibit the use in the EU of benchmarks provided by EU administrators which are not authorised or registered in accordance with the EU Benchmark Regulation, and (c) prohibit the use in the EU of benchmarks provided by non-EU administrators which are not (i) authorised or registered and subject to supervision in a jurisdiction in respect of which an 'equivalence' decision has been adopted in accordance with the EU Benchmark Regulation, or (ii) where such equivalence decision is pending, 'recognised' by the competent authorities of the applicable EU Member State(s). An exception to this is that a benchmark provided by a non-EU administrator can itself be endorsed for use in the EU by an EU authorised or registered administrator or an EU-based supervised entity, following authorisation of the endorsement by the relevant competent authority.

The EU Benchmark Regulation requires the Company to produce and maintain a robust contingency plan setting out the actions that it would take in the event that a benchmark (as defined by the EU Benchmark Regulation) materially changes or ceases to be provided. The Manager shall comply with this obligation on behalf of the Company.

The Company is required under the EU Benchmark Regulation to use only benchmarks which are provided by authorised benchmark administrators that are present in the register of administrators maintained by the European Securities and Markets Authority, pursuant to Article 36 of the EU Benchmark Regulation. The Manager shall comply with this obligation on behalf of the Company.

## 32 **DATA PROTECTION**

In the course of business, the Company will collect, record, store, adapt, transfer and otherwise process information by which prospective investors may be directly or indirectly identified. The Company is a data controller within the meaning of Data Protection Legislation and undertakes to hold any personal data provided by investors in accordance with Data Protection Legislation.

The Company and/or any of its delegates or service providers may process prospective investor's personal data for any one or more of the following purposes and legal bases:

- (a) to operate the Funds, including managing and administering a Shareholder's investment in the relevant Fund on an on-going basis which enables the Company to satisfy its contractual duties and obligations to the Holder);
- (b) to comply with any applicable legal, tax or regulatory obligations on the Company, for example, under the Companies Acts and anti-money laundering and counter-terrorism legislation;
- (c) for any other legitimate business interests' of the Company or a third party to whom personal data is disclosed, where such interests are not overridden by the interests of the investor, including for statistical analysis and market research purposes; or
- (d) for any other specific purposes where investors have given their specific consent and where processing of personal data is based on consent, the investors will have the right to withdraw it at any time.

The Company and/or any of its delegates or service providers may disclose or transfer personal data, whether in Ireland or elsewhere (including entities situated in countries outside of the EEA), to other delegates, duly appointed agents and service providers of the Company (and any of their respective related, associated or affiliated companies or sub-delegates) and to third parties including advisers, regulatory bodies, taxation authorities, auditors, technology providers for the purposes specified above.

The Company will not keep personal data for longer than is necessary for the purpose(s) for which it was collected. In determining appropriate retention periods, the Company shall have regard to the Statute of Limitations Act 1957, as amended, and any statutory obligations to retain information, including anti-money laundering, counter-terrorism, tax legislation. The Company will take all reasonable steps to destroy or erase the data from its systems when they are no longer required.

Where specific processing is based on an investor's consent, that investor has the right to withdraw it at any time. Investors have the right to request access to their personal data kept by Company; and the right to rectification or erasure of their data; to restrict or object to processing of their data, and to data portability, subject to any restrictions imposed by Data Protection Legislation.

The Company and/or any of its delegates and service providers will not transfer personal data to a country outside of the EEA unless that country ensures an adequate level of data protection or appropriate safeguards are in place. The European Commission has prepared a list of countries that are deemed to provide an adequate level of data protection which, to date, includes Switzerland, Guernsey, Argentina, the Isle of Man, Faroe Islands, Jersey, Andorra, Israel, New Zealand and Uruguay. Further countries may be added to this list by the European Commission at any time. The US is also deemed to provide an adequate level of protection where the US recipient of the data is privacy shield-certified. If a third country does not provide an adequate level of data protection, then the Company and/or any of its delegates and service providers will rely on the model clauses (which are standardised contractual clauses, approved by the European Commission), binding corporate rules, or one of the other alternative measures provided for in Data Protection Legislation.

Where processing is carried out on behalf of the Company, the Company shall engage a data processor, within the meaning of Data Protection Legislation, which provides sufficient guarantees to implement appropriate technical and organisational security measures in a manner that such processing meets the requirements of Data Protection Legislation, and ensures the protection of the rights of investors. The Company will enter into a written contract with the data processor which will set out the data processor's specific mandatory obligations laid down in Data Protection Legislation, including to only process personal data on documented instructions from the Company.

As part of the Company's business and ongoing monitoring, the Company may from time to time carry out automated decision-making in relation to investors, including, for example, profiling of investors in the context of anti-money laundering reviews, and this may result in an investor being identified to the Irish Revenue Commissioners and law enforcement authorities, and the Company terminating its relationship with the investor.

Investors are required to provide their personal data for statutory and contractual purposes. Failure to provide the required personal data will result in the Company being unable to permit, process, or release the investor's investment in the Funds and this may result in the Company terminating its relationship with the investor. Investors have a right to lodge a complaint with the Data Protection Authority if they are unhappy with how the Company is handling their data.

### 33 **FUND TRANSACTIONS AND CONFLICTS OF INTEREST**

Subject to the provisions of this section 33, the Manager, the Distributor, the Investment Manager, the Administrator, the Depositary, any Shareholder, and any of their respective subsidiaries, affiliates, associates, agents or delegates (each a **Connected Person**), may contract or enter into any financial, banking or other transaction with one another or with the Company, including without limitation, investment by the Company in securities of a Shareholder, or investment by any Connected Persons in any fund or body

any of whose investments form part of the assets comprised in any Fund or be interested in any such contract or transactions. In particular, without limitation, any Connected Person may invest in and deal with Shares relating to any Fund or any property of the kind included in the property of the Company for their respective individual accounts or for the account of someone else.

In addition, any cash of the Company may be deposited, subject to the provisions of the Central Bank Acts, 1942 to 2014, of Ireland, with any Connected Person or invested in certificates of deposit or banking instruments issued by any Connected Person. Banking and similar transactions may also be undertaken with or through a Connected Person.

Any Connected Person may also deal as agent or principal in the sale or purchase of securities and other investments (including foreign exchange and securities lending transactions) to or from the Company through the Depositary or any subsidiary, affiliate, associate, agent or delegate thereof. There will be no obligation on the part of any such Connected Person to account to the relevant Fund or the Shareholders for any benefits so arising as a result of such a transaction with the Company, and any such benefits may be retained by the relevant party, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length, are consistent with the best interests of Shareholders, and

- (a) a certified valuation of such transaction by a person approved by the Depositary (or in the case of any such transaction entered into by the Depositary, a person approved by the Directors) as independent and competent has been obtained; or
- (b) such transaction has been executed on best terms on an organised investment exchange under its rules; or

where neither (a) nor (b) are practical,

- (c) such transaction has been executed on terms which the Depositary is (or in the case of any such transaction entered into by the Depositary, the Directors are) satisfied conform with the principle that such transactions be carried out as if effected on normal commercial terms negotiated at arm's length and in the best interests of Shareholders.

The Manager and the Investment Manager may also, in the course of their respective businesses, have potential conflicts of interest with the Company in circumstances other than those referred to above. Examples of this will include the situation where the Investment Manager is valuing the Company's assets since the fee payable to the Investment Manager may increase as the value of the Company increases or where the Investment Manager may be entitled to charge commission and/or brokerage on transactions effected by them, as outlined in section 30. The Manager and Investment Manager will, however, have regard in such event to their obligations under its agreements and, in particular, to its obligations to act in the best interests of the Company, the Funds and the Shareholders so far as practicable, having regard to its obligations to other clients when undertaking any investments where conflicts of interest may arise. In the event that a conflict of interest does arise the Directors will endeavour to ensure that such conflicts are resolved fairly, and that investment opportunities are allocated fairly. Investors should also note that certain entities within the VanEck group may also be investors in the underlying sub-funds.

Notwithstanding the above, where the Investment Manager recaptures a portion of brokerage fees from a broker in relation to the purchase and/or sale of securities for a Fund, such rebate (less any reasonable properly vouched fees and expenses directly incurred by the Investment Manager in arranging such rebate and agreed with the Company) must be paid into that Fund.

Conflicts of interest may arise for the Depositary or its delegates where the Depositary or its delegates:

- (a) is likely to make a financial gain, or avoid a financial loss at the expense of the Company or its investors;

- (b) has an interest in the outcome of a service or an activity provided to the Company or of a transaction carried out on behalf of the Company which is distinct from the Company's interest;
- (c) has a financial or other incentive to favour the interest of another client or group of clients over the interests of the Company;
- (d) carries on the same activities for the Company and for other clients that adversely affect the Company; or
- (e) is in receipt of inducement in the form of monies, good or services other than the standard commission or fee for that service.

Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safe-keeping functions delegated by the depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to investors on request.

The Directors may act as directors of other collective investment vehicles. Where any potential conflicts of interest arise between their duties to the Company and to third parties, the Directors will endeavour to ensure that any such conflicts will not unfairly prejudice the Company.

## 34 TAXATION

### 34.1 General

**The information given is not exhaustive and does not constitute legal or tax advice. It does not purport to deal with all of the tax consequences applicable to the Company or its current or future Funds or to all categories of investors, some of whom may be subject to special rules. Prospective investors should consult their own professional advisors as to the implications of their subscribing for, purchasing, holding, switching or disposing of Shares under the laws of the jurisdictions in which they may be subject to tax.**

**The following is a brief summary of certain aspects of Irish taxation law and practice relevant to the transactions contemplated in this Prospectus. It is based on the law and practice and official interpretation currently in effect, all of which are subject to change.**

Dividends, interest and capital gains (if any) which the Company or any of the Funds receive with respect to their investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of investments are located. It is anticipated that the Company may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in a repayment to the Company the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Shareholders rateably at the time of repayment.

#### **Irish Tax Considerations**

The Directors have been advised that on the basis that the Company is resident in Ireland for taxation purposes the taxation position of the Company and the Shareholders is as set out below.

The Directors have been advised that, under current Irish law and practice, the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Act., so long as the Company is resident in Ireland. Accordingly, the Company is not chargeable to Irish tax on its income and gains.

However, tax can arise on the happening of a "chargeable event" in the Company. A chargeable event includes any distribution payments to Shareholders or any encashment, redemption, cancellation, transfer or deemed disposal (a deemed disposal will occur at the expiration of a Relevant Period) of Shares or the appropriation or cancellation of Shares of a Shareholder by the Company for the purposes of meeting the



amount of tax payable on a gain arising on a transfer. No tax will arise on the Company in respect of chargeable events in respect of a Shareholder who is neither Irish Resident nor Ordinarily Resident in Ireland at the time of the chargeable event provided that a Relevant Declaration is in place and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of either a Relevant Declaration or the Company satisfying and availing of equivalent measures (see paragraph headed “*Equivalent Measures*” below) there is a presumption that the investor is Irish Resident or Ordinarily Resident in Ireland. A chargeable event does not include:

- (a) Any transaction (which might otherwise be a chargeable event) in relation to Shares held in a Recognised Clearing System as designated by order of the Irish Revenue Commissioners;
- (b) A transfer by a Shareholder of the entitlement to Shares where the transfer is between spouses and former spouses, subject to certain conditions;
- (c) An exchange by a Shareholder, effected by way of an arm's length bargain where no payment is made to the Shareholder, of Shares in the Company for other Shares in the Company; or
- (d) An exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the Taxes Act) of the Company with another investment undertaking.

If the Company becomes liable to account for tax if a chargeable event occurs, the Company shall be entitled to deduct from the payment arising on a chargeable event an amount equal to the appropriate tax and/or where applicable, to appropriate or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares as are required to meet the amount of tax. The relevant Shareholder shall indemnify and keep the Company indemnified against loss arising to the Company by reason of the Company becoming liable to account for tax on the happening of a chargeable event if no such deduction, appropriation or cancellation has been made.

Dividends received by the Company from investment in Irish equities may be subject to Irish dividend withholding tax at a rate of 25% (such sum representing income tax). However, the Company can make a declaration to the payer that it is a collective investment undertaking beneficially entitled to the dividends which will entitle the Company to receive such dividends without deduction of Irish dividend withholding tax.

### **Stamp Duty**

No stamp duty is payable in Ireland on the issue, transfer, repurchase or redemption of Shares in the Company. Where any subscription for or redemption of Shares is satisfied by the in specie transfer of securities, property or other types of assets, Irish stamp duty may arise on the transfer of such assets.

No Irish stamp duty will be payable by the Company on the conveyance or transfer of stock or marketable securities provided that the stock or marketable securities in question have not been issued by a company registered in Ireland and provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B (1) of the Taxes Act (that is not an Irish Real Estate Fund within the meaning of Section 739K of the Taxes Act) or a “qualifying company” within the meaning of Section 110 of the Taxes Act) which is registered in Ireland.

## **34.2 Shareholders Tax**

### ***Shares which are held in a Recognised Clearing System***

Any payments to a Shareholder or any encashment, redemption, cancellation or transfer of Shares held in a Recognised Clearing System will not give rise to a chargeable event in the Company (there is however ambiguity in the legislation as to whether the rules outlined in this paragraph with regard to Shares held in a Recognised Clearing System, apply in the case of chargeable events arising on a deemed disposal,

therefore, as previously advised, Shareholders should seek their own tax advice in this regard). Thus the Company will not have to deduct any Irish taxes on such payments regardless of whether they are held by Shareholders who are Irish Residents or Ordinarily Resident in Ireland, or whether a non-resident Shareholder has made a Relevant Declaration. However, Shareholders who are Irish Resident or Ordinarily Resident in Ireland or who are not Irish Resident or Ordinarily Resident in Ireland but whose Shares are attributable to a branch or agency in Ireland may still have a liability to account for Irish tax on a distribution or encashment, redemption or transfer of their Shares.

It should be noted that a Relevant Declaration is not required to be made where the Shares, the subject of the application for subscription or registration of transfer of Shares, are held in a Recognised Clearing System so designated by the Irish Revenue Commissioners. It is the current intention of the Directors that all of the Shares will be held in a Recognised Clearing System. If in the future, the Directors permit Shares to be held in certificated form outside a Recognised Clearing System, prospective investors for Shares on subscription and proposed transferees of Shares will be required to complete a Relevant Declaration as a pre-requisite to being issued Shares in the Company or being registered as a transferee of the Shares (as the case may be).

To the extent any Shares are not held in a Recognised Clearing System at the time of a chargeable event (and subject to the discussion above relating to a chargeable event arising on a deemed disposal), the following tax consequences will typically arise on a chargeable event.

#### ***Shareholders who are neither Irish Resident nor Ordinarily Resident in Ireland***

The Company will not have to deduct tax on the occasion of a chargeable event in respect of a Shareholder if (a) the Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland, (b) the Shareholder has made a Relevant Declaration on or about the time when the Shares are applied for or acquired by the Shareholder and (c) the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of either a Relevant Declaration (provided in a timely manner) or the Company satisfying and availing of equivalent measures (see paragraph headed "Equivalent Measures" below) tax will arise on the happening of a chargeable event in the Company regardless of the fact that a Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland. The appropriate tax that will be deducted is as described below.

To the extent that a Shareholder is acting as an Intermediary on behalf of persons who are neither Irish Resident nor Ordinarily Resident in Ireland no tax will have to be deducted by the Company on the occasion of a chargeable event provided that either (i) the Company satisfied and availed of the equivalent measures or (ii) the Intermediary has made a Relevant Declaration that he/she is acting on behalf of such persons and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

Shareholders who are neither Irish Residents nor Ordinarily Resident in Ireland and either (i) the Company has satisfied and availed of the equivalent measures or (ii) such Shareholders have made Relevant Declarations in respect of which the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct, will not be liable to Irish tax in respect of income from their Shares and gains made on the disposal of their Shares. However, any corporate Shareholder which is not Irish Resident and which holds Shares directly or indirectly by or for a trading branch or agency in Ireland will be liable to Irish tax on income from their Shares or gains made on disposals of the Shares.

Where tax is withheld by the Company on the basis that no Relevant Declaration has been filed with the Company by the Shareholder, Irish legislation provides for a refund of tax only to companies within the charge to Irish corporation tax, to certain incapacitated persons and in certain other limited circumstances.

### ***Shareholders who are Irish Resident or Ordinarily Resident in Ireland***

Unless a Shareholder is an Exempt Irish Investor and makes a Relevant Declaration to that effect and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct or unless the Shares are purchased by the Courts Service, tax at the rate of 41% (25% where the Shareholder is a company and an appropriate declaration is in place) will be required to be deducted by the Company from any distribution to the Shareholder or on any gain arising to the Shareholder on an encashment, redemption, cancellation, transfer or deemed disposal (see below) of Shares.

An automatic exit tax applies for Shareholders who are Irish Resident or Ordinarily Resident in Ireland (and that are not Exempt Irish Investors) in respect of Shares held by them in the Company at the ending of a Relevant Period. Such Shareholders (both companies and individuals) will be deemed to have disposed of their Shares ("deemed disposal") at the expiration of that Relevant Period and will be charged to tax at the rate of 41% (25% where the Shareholder is a company and an appropriate declaration is in place) on any deemed gain (calculated without the benefit of indexation relief) accruing to them based on the increased value (if any) of the Shares since purchase or since the previous exit tax applied, whichever is later.

For the purposes of calculating if any further tax arises on a subsequent chargeable event, credit is given for any tax paid as a result of the preceding deemed disposal. Where the tax arising on the subsequent chargeable event is greater than that which arose on the preceding deemed disposal, the Company will have to deduct the difference. Where the tax arising on the subsequent chargeable event is less than that which arose on the preceding deemed disposal, the Company will refund the Shareholder for the excess (subject to the paragraph headed "15% threshold" below).

#### ***10% Threshold***

The Company will not have to deduct tax ("exit tax") in respect of this deemed disposal where the value of the chargeable shares (i.e. those Shares held by Shareholders to whom the declaration procedures do not apply) in the Company (or Fund being an umbrella scheme) is less than 10% of the value of the total Shares in the Company (or the Fund) and the Company has made an election to report certain details in respect of each affected Shareholder to the Irish Revenue Commissioners (the "Affected Shareholder") in each year that the de minimus limit applies. In such a situation the obligation to account for the tax on any gain arising on a deemed disposal will be the responsibility of the Shareholder on a self-assessment basis ("self-assessors") as opposed to the Company or Fund (or their service providers). The Company is deemed to have made the election to report once it has advised the Affected Shareholders in writing that it will make the required report.

#### ***15 % Threshold***

As previously stated where the tax arising on the subsequent chargeable event is less than that which arose on the preceding deemed disposal (e.g. due to a subsequent loss on an actual disposal), the Company will refund the Shareholder the excess. Where however immediately before the subsequent chargeable event, the value of chargeable shares in the Company (or Fund being an umbrella scheme) does not exceed 15% of the value of the total Shares, the Company may elect to have any excess tax arising repaid directly by the Irish Revenue Commissioners to the Shareholder. The Company is deemed to have made this election once it notifies the Shareholder in writing that any repayment due will be made directly by the Irish Revenue Commissioners on receipt of a claim by the Shareholder.

#### ***Other***

To avoid multiple deemed disposal events for multiple Shares an irrevocable election under Section 739D(5B) can be made by the Company to value the shares held at the 30th June or 31st December of each year prior to the deemed disposal occurring. While the legislation is ambiguous, it is generally understood that the intention is to permit a fund to group shares in six month batches and thereby make it easier to

calculate the exit tax by avoiding having to carry out valuations at various dates during the year resulting in a large administrative burden.

The Irish Revenue Commissioners have provided updated investment undertaking guidance notes which deal with the practical aspects of how the above calculations/objectives will be accomplished.

Shareholders (depending on their own personal tax position) who are Irish Resident or Ordinarily Resident in Ireland may still be required to pay tax or further tax on a distribution or gain arising on an encashment, redemption, cancellation, transfer or deemed disposal of their Shares. Alternatively they may be entitled to a refund of all or part of any tax deducted by the Company on a chargeable event.

### ***Equivalent Measures***

As detailed in prior paragraphs, no Irish tax should arise on an investment undertaking with regard to chargeable events in respect of a shareholder who was neither Irish Resident nor Ordinarily Resident in Ireland at the time of the chargeable event, provided that a Relevant Declaration was in place and the investment undertaking was not in possession of any information which would reasonably suggest that the information contained therein was no longer materially correct. In the absence of such a Relevant Declaration, there is a presumption that the shareholder is Irish Resident or Ordinarily Resident in Ireland.

As an alternative to the above requirement to obtain Relevant Declarations from shareholders, Irish tax legislation also include provision for “equivalent measures”. In brief, these provisions provide that where the investment undertaking is not actively marketed to shareholders that are Irish Resident or Ordinarily Resident in Ireland, appropriate equivalent measures are put in place by the investment undertaking to ensure that such shareholders are not Irish Resident nor Ordinarily Resident in Ireland and the investment undertaking has received approval from the Irish Revenue Commissioners in this regard; then, there should be no requirement for the investment undertaking to obtain Relevant Declarations from shareholders.

### ***Personal Portfolio Investment Undertaking***

Special rules apply to the taxation of Irish Resident individuals or Ordinarily Resident in Ireland individuals who hold shares in an investment undertaking, where it is considered a personal portfolio investment undertaking (“PPIU”) in respect of the particular investor. Essentially, an investment undertaking will be considered a PPIU in relation to a specific investor where that investor can influence the selection of some or all of the property held by the investment undertaking either directly or through persons acting on behalf of or connected to the investor. Depending on individuals’ circumstances, an investment undertaking may be considered a PPIU in relation to some, none or all individual investors (i.e. it will only be a PPIU in respect of those individuals’ who can “influence” selection). Any gain arising on a chargeable event in relation to an investment undertaking which is a PPIU in respect of an individual, will be taxed at the rate of 60%. Specific exemptions apply where the property invested in has been widely marketed and made available to the public or for non-property investments entered into by the investment undertaking. Further restrictions may be required in the case of investments in land or unquoted shares deriving their value from land.

### ***Reporting***

Pursuant to Section 891C of the Taxes Act and the Return of Values (Investment Undertakings) Regulations 2013, the Company is obliged to report certain details in relation to Shares held by investors to the Irish Revenue Commissioners on an annual basis. The details to be reported include the name, address and date of birth if on record of, and the value of the Shares held by, a Shareholder. In respect of Shares acquired on or after 1 January 2014, the details to be reported also include the tax reference number of the Shareholder (being an Irish tax reference number or VAT registration number, or in the case of an individual, the individual’s PPS number) or, in the absence of a tax reference number, a marker indicating that this was not provided. No details are to be reported in respect of Shareholders who are;

- Shareholders whose Shares are held in a Recognised Clearing System;

- Exempt Irish Investors; or
- Shareholders who are neither Irish Resident nor Ordinarily Resident in Ireland (provided the relevant declaration has been made);

### **Capital Acquisitions Tax**

The disposal of Shares may be subject to Irish gift or inheritance tax (Capital Acquisitions Tax). However, provided that the Company falls within the definition of investment undertaking (within the meaning of Section 739B (1) of the Taxes Act), the disposal of Shares by a Shareholder is not liable to Capital Acquisitions Tax provided that (a) at the date of the gift or inheritance, the donee or successor is neither domiciled nor Ordinarily Resident in Ireland; (b) at the date of the disposition, the Shareholder disposing (“disponer”) of the Shares is neither domiciled nor Ordinarily Resident in Ireland; and (c) the Shares are comprised in the gift or inheritance at the date of such gift or inheritance and at the valuation date.

With regard to Irish tax residency for Capital Acquisitions Tax purposes, special rules apply for non-Irish domiciled persons. A non-Irish domiciled donee or disponer will not be deemed to be resident or ordinarily resident in Ireland at the relevant date unless;

i) that person has been resident in Ireland for the 5 consecutive years of assessment immediately preceding the year of assessment in which that date falls; and ii) that person is either resident or ordinarily resident in Ireland on that date.

### **34.3 Compliance with US reporting and withholding requirements**

The foreign account tax compliance provisions (“FATCA”) of the Hiring Incentives to Restore Employment Act 2010 represent an expansive information reporting regime enacted by the United States (“US”) aimed at ensuring that Specified US Persons with financial assets outside the US are paying the correct amount of US tax. FATCA will generally impose a withholding tax of up to 30% with respect to certain US source income (including dividends and interest) paid to a foreign financial institution (“FFI”) unless the FFI enters directly into a contract (“FFI agreement”) with the US Internal Revenue Service (“IRS”) or alternatively the FFI is located in a IGA country (please see below). An FFI agreement will impose obligations on the FFI including disclosure of certain information about US investors directly to the IRS and the imposition of withholding tax in the case of non-compliant investors. For these purposes the Company would fall within the definition of a FFI for the purpose of FATCA.

In recognition of both the fact that the stated policy objective of FATCA is to achieve reporting (as opposed to being solely the collecting of withholding tax) and the difficulties which may arise in certain jurisdictions with respect to compliance with FATCA by FFIs, the US developed an intergovernmental approach to the implementation of FATCA. In this regard the Irish and US Governments signed an intergovernmental agreement (“Irish IGA”) on the 21st December 2012 and provisions were included in Finance Act 2013 for the implementation of the Irish IGA and also to permit regulations to be made by the Irish Revenue Commissioners with regard to registration and reporting requirements arising from the Irish IGA. In this regard, the Irish Revenue Commissioners (in conjunction with the Department of Finance) have issued Regulations – S.I. No. 292 of 2014 which is effective from 1 July 2014. Supporting Guidance Notes have been issued by the Irish Revenue Commissioners and are updated on ad-hoc basis.

The Irish IGA is intended to reduce the burden for Irish FFIs of complying with FATCA by simplifying the compliance process and minimising the risk of withholding tax. Under the Irish IGA, information about relevant US investors will be provided on an annual basis by each Irish FFI (unless the FFI is exempted from the FATCA requirements) directly to the Irish Revenue Commissioners. The Irish Revenue Commissioners will then provide such information to the IRS (by the 30th September of the following year) without the need for the FFI to enter into a FFI agreement with the IRS. Nevertheless, the FFI will generally be required to register with the IRS to obtain a Global Intermediary Identification Number commonly referred to as a GIIN.

Under the Irish IGA, FFIs should generally not be required to apply 30% withholding tax. To the extent the Company does suffer US withholding tax on its investments as a result of FATCA, the Directors may take any action in relation to an investor's investment in the Company to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information or to become a participating FFI gave rise to the withholding.

Each prospective investor should consult their own tax advisor regarding the requirements under FATCA with respect to their own situation.

#### **34.4 Common Reporting Standard**

On 14 July 2014, the OECD issued the Standard for Automatic Exchange of Financial Account Information ("the Standard") which therein contains the Common Reporting Standard. This has been applied in Ireland by means of the relevant international legal framework and Irish tax legislation. Additionally, on 9 December 2014, the European Union adopted EU Council Directive 2014/107/EU, amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation ("DAC2") which, in turn, has been applied in Ireland by means of the relevant Irish tax legislation.

The main objective of the Common Reporting Standard and DAC2 (collectively referred to herein as "CRS") is to provide for the annual automatic exchange of certain financial account information between relevant tax authorities of participating jurisdictions or EU Member States.

CRS draws extensively on the intergovernmental approach used for the purposes of implementing FATCA and, as such, there are significant similarities between the reporting mechanisms. However, whereas FATCA essentially only requires reporting of specific information in relation to Specified US Persons to the IRS, CRS has significantly wider ambit due to the multiple jurisdictions participating in the regimes.

Broadly speaking, CRS will require Irish Financial Institutions to identify Account Holders (and, in particular situations, Controlling Persons of such Account Holders) resident in other participating jurisdictions or EU Member States and to report specific information in relation to these Account Holders (and, in particular situations, specific information in relation to identified Controlling Persons) to the Irish Revenue Commissioners on an annual basis (which, in turn, will provide this information to the relevant tax authorities where the Account Holder is resident). In this regard, please note that the Company will be considered an Irish Financial Institution for the purposes of CRS.

For further information on CRS requirements of the Company, please refer to the below "CRS Data Protection Information Notice".

Shareholders and prospective investors should consult their own tax advisor regarding the requirements under CRS with respect to their own situation.

##### **CRS Data Protection Information Notice**

The Company hereby confirms that it intends to take such steps as may be required to satisfy any obligations imposed by (i) the Standard and, specifically, the Common Reporting Standard therein, as applied in Ireland by means of the relevant international legal framework and Irish tax legislation and (ii) DAC2, as applied in Ireland by means of the relevant Irish tax legislation, so as to ensure compliance or deemed compliance (as the case may be) with CRS from 1 January 2016.

In this regard, the Company is obliged under Section 891F and Section 891G of the Taxes Act and regulations made pursuant to those sections to collect certain information about each Shareholder's tax arrangements (and also collect information in relation to relevant Controlling Persons of specific Shareholders).

In certain circumstances, the Company may be legally obliged to share this information and other financial information with respect to a Shareholder's interests in the Company with the Irish Revenue Commissioners

(and, in particular situations, also share information in relation to relevant Controlling Persons of specific Shareholders). In turn, and to the extent the account has been identified as a Reportable Account, the Irish Revenue Commissioners will exchange this information with the country of residence of the Reportable Person(s) in respect of that Reportable Account.

In particular, information that may be reported in respect of a Shareholder (and relevant Controlling Persons, if applicable) includes name, address, date of birth, place of birth, account number, account balance or value at year end (or, if the account was closed during such year, the balance or value at the date of closure of the account), any payments (including redemption and dividend/interest payments) made with respect to the account during the calendar year, tax residency(ies) and tax identification number(s).

Shareholders (and relevant Controlling Persons) can obtain more information on the Company's tax reporting obligations on the website of the Irish Revenue Commissioners (which is available at <http://www.revenue.ie/en/business/aeoi/index.html>) or the following link in the case of the Common Reporting Standard only: <http://www.oecd.org/tax/automatic-exchange/>.

All capitalised terms above, unless otherwise defined above, shall have the same meaning as they have in the Standard or DAC2 (as applicable).

#### **34.5 Mandatory Disclosure Rules**

Council Directive (EU) 2018/822 (amending Directive 2011/16/EU), commonly referred to as "DAC6", became effective on 25 June 2018. Relevant Irish tax legislation has since been introduced to implement this Directive in Ireland.

DAC6 creates an obligation for persons referred to as "intermediaries" to make a return to the relevant tax authorities of information regarding certain cross-border arrangements with particular characteristics, referred to as "hallmarks" (most of which focus on aggressive tax planning arrangements). In certain circumstances, instead of an intermediary, the obligation to report may pass to the relevant taxpayer of a reportable cross-border arrangement.

The transactions contemplated under the prospectus may fall within the scope of DAC6 and thus may qualify as reportable cross-border arrangements. If that were the case, any person that falls within the definition of an "intermediary" (this could include the Administrator, the legal and tax advisers of the Company, the Investment Manager, the Manager, the Distributor etc.) or, in certain circumstances, the relevant taxpayer of a reportable cross-border arrangement (this could include Shareholder(s)) may have to report information in respect of the transactions to the relevant tax authorities. Please note that this may result in the reporting of certain Shareholder information to the relevant tax authorities.

Shareholders and prospective investors should consult their own tax advisor regarding the requirements of DAC6 with respect to their own situation.

#### **34.6 Pillar Two Rules**

In line with the OECD and EU requirements, Ireland has recently introduced Pillar 2 rules. Pillar 2 seeks to ensure that large groups incur a minimum 15% effective tax rate on their profits in each jurisdiction in which they operate.

It is important to note that the Pillar 2 rules only apply to;

- a) members of multinational groups ("MNE Groups") and large-scale domestic groups with consolidated revenues of at least €750 million in at least two of the four years preceding the current accounting period; or
- b) Entities that do not fall into (a) above but that, on a standalone basis, have revenue that exceeds €750m in at least two of the four years preceding the current accounting period.

Furthermore, even to the extent the above criteria are met by an Irish regulated fund, there are wide exclusions from the rules for investment funds. In this regard, the vast majority of Irish regulated funds should fall to be considered investment funds for these purposes.

Therefore, it is not expected that the Pillar 2 rules should have any material impact on the Company.

## 35 **REPORTS AND ACCOUNTS**

The Company's year-end is 31 December in each year. The annual report and audited accounts, in English, of the Company will be made available to Shareholders and to the Central Bank within four months after the conclusion of each accounting year and at least 21 days before the general meeting of the Company at which they are to be submitted for approval. The Company will also make available a semi-annual report and unaudited accounts to Shareholders and to the Central Bank within two months after the end of each semi-annual period which will be 30 June of each year. The annual report, in English, will be sent to the Companies Announcements Office of Euronext within six months of the end of the relevant accounting period.

Such reports and accounts will contain a statement of the Net Asset Value of each Fund and of the investments comprised therein as at the year-end or the end of such semi-annual period.

## 36 **TRANSFER OF SHARES**

Shares in each Fund will be transferable by instrument in writing signed by (or, in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor provided always that the transferee completes an Application Form to the satisfaction of the Administrator and furnishes the Administrator with any documents required by it. In the case of the death of one of joint Shareholders, the survivor or survivors will be the only person or persons recognised by the Company as having any title to or interest in the Shares registered in the names of such joint Shareholders.

Shares may not be transferred to a United States Person.

Registration of any transfer may be refused by the Directors if following the transfer either the transferor or the transferee would hold Shares having a value less than the Minimum Holding for the relevant Fund (if any) specified in the Supplement hereto.

If the transferor is, or is deemed to be, or is acting on behalf of, a person who is Irish Resident or Ordinarily Resident in Ireland (and not an Exempt Irish Investor) the Company may redeem and cancel a sufficient portion of the transferor's Shares as will enable the Company to pay the tax payable in respect of the transfer to the Irish Revenue Commissioners. Please refer to the section headed "Taxation".

## 37 **NOTIFICATION OF PRICES**

The Net Asset Value per Share of each Class in each Fund will be available from the Administrator on each Business Day. The Net Asset Value per Share will also be kept up to date and available on the Website and will be notified upon calculation to the relevant regulated market without delay.

## 38 **COMMUNICATIONS WITH SHAREHOLDERS**

Communications with Shareholders may be effected by electronic mail or by any other means of communication provided that the Shareholder has consented to such method of communication. Copies of any documents sent to Shareholders will be available for inspection at the office of the Administrator. Communications with Shareholders will also be published on the Website. Investor should regularly visit the Website, or request that their stockbrokers or other financial agents or advisers do so on their behalf, to ensure that they obtain such information on a timely basis.

Further information in relation to the strategy and composition of each Fund is available on request from the Manager.



## 39 GENERAL INFORMATION

### 39.1 Incorporation and Share Capital

The Company was incorporated and registered in Ireland as an investment company with variable capital on 26 August 2014 with registered number 548554.

The authorised share capital of the Company is 2 subscriber shares (**subscriber shares**) of €1 each and 1,000,000,000,000 shares of no par value initially designated as unclassified shares and available for issue as Shares.

There are no rights of pre-emption attaching to the Shares.

### 39.2 Articles

Clause 3 of the Articles provides that the sole object of the Company is the collective investment in Transferable Securities and/or other liquid financial assets of capital raised from the public operating on the principle of risk-spreading in accordance with the Regulations.

The Articles contain provisions to the following effect:

#### 39.2.1 *Directors' Authority to Allot Shares*

The Directors are generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities, including fractions thereof, up to an amount equal to the authorised but as yet unissued share capital of the Company.

#### 39.2.2 *Variation of Rights*

The rights attached to any Class may be varied or abrogated with the consent in writing of the holders of three-fourths in number of the issued Shares of that Class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the Shares of the Class, and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. The quorum at any such separate general meeting shall be one Shareholder of issued Shares in the relevant class present in person or by proxy.

#### 39.2.3 *Voting Rights*

Subject to disenfranchisement in the event of non-compliance with any notice requiring disclosure of the beneficial ownership of shares and subject to any rights or restrictions for the time being attached to any Class or Classes of Shares, on a show of hands at a general meeting or Class meeting of the Company, every Shareholder holding shares who is present in person or by proxy shall have one vote and on a poll every Shareholder present in person or by proxy shall have one vote for every share of which he is the holder.

#### 39.2.4 *Change in Share Capital*

The Company may from time to time by ordinary resolution increase the share capital by such amount and/or number as the resolution may prescribe. The Company may also by ordinary resolution, consolidate and divide its share capital into shares of larger amount, subdivide its shares into shares of smaller amount or value or cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and reduce the amount of its authorised share capital by the amount of the shares so cancelled or redenominate the currency of any Class of Shares.

#### 39.2.5 **Directors' Interests**

Provided that the nature and extent of any material interest shall be disclosed as set out below, no Director or intending Director shall be disqualified by his office from contracting with the Company nor shall any such contract or arrangement entered into by or on behalf of any other company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

The nature of a Director's interest must be declared by him at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of that meeting interested in the proposed contract or arrangement at the next meeting of the Directors held after he became so interested.

A Director shall not vote at a meeting of the Directors or a committee of the Directors on any resolution concerning a matter in which he has, directly or indirectly an interest which is material (other than an interest arising by virtue of his interest in shares or debentures or other securities or otherwise in or through the Company) or a duty which conflicts or may conflict with the interest of the Company.

A Director shall be entitled (in the absence of some other material interest than is indicated in the section entitled **Directors' Interests**) to vote and be counted in the quorum in respect of any resolutions concerning the following matters, namely:

- (a) the giving of any security, guarantee or indemnity to him in respect of money lent by him to the Company or any of its subsidiary or associated companies or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiary or associated companies;
- (b) the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries or associated companies for which he himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
- (c) any proposal concerning any offer of shares or debentures or other securities of or by the Company or any of its subsidiary or associated companies for subscription, purchase or exchange in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
- (d) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer, shareholder or otherwise howsoever.

The Company by ordinary resolution may suspend or relax the provisions described above to any extent or ratify any transaction not duly authorised by reason of a contravention thereof.

#### 39.2.6 **Borrowing Powers**

Subject to the Regulations, the Directors may exercise all the powers of the Company to borrow or raise money and to hypothecate, mortgage, pledge or charge its undertaking, property and assets (both present and future) and uncalled capital or any part thereof, provided that all such borrowings shall be within the limits laid down by the Central Bank.

#### 39.2.7 **Committees**

The Directors may delegate any of their powers to any committee whether or not consisting of Directors. Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the provisions of the Articles regulating the proceedings of Directors so far as they are capable of applying.

#### 39.2.8 **Retirement of Directors**

The Directors shall not be required to retire by rotation or by virtue of their attaining a certain age.

#### 39.2.9 **Directors' Remuneration**

Unless otherwise determined from time to time by the Company in general meeting, the ordinary remuneration of each Director shall be determined from time to time by resolution of the Directors. Any Director who holds any executive office (including for this purpose the office of chairman or deputy chairman) or who serves on any committee, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of fee, commission or otherwise as the Directors may determine. The Directors may be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of the Directors or committees established by the Directors or general meetings or separate meetings of the holders of any Class of Shares of the Company or otherwise in connection with the discharge of their duties.

#### 39.2.10 **Transfer of Shares**

Subject to the restrictions in the Articles and any applicable conditions of issue, the shares of any Shareholder may be transferred by instrument in writing in any usual or common form or any other form which the Directors may approve. The Directors in their absolute discretion and without assigning any reason therefor may decline to register any transfer of a Share, including but not limited to, to (i) a Prohibited Person, or (ii) any person who, by holding Shares, would be in breach of any law or requirement of any country or governmental authority or might result in the Company incurring any liability to taxation or suffering pecuniary disadvantages; or (iii) any transfer to or by a minor or a person of unsound mind; or (iv) any transfer unless the transferee of such shares would following such transfer be the holder of shares with a value at the then current Subscription Price equal to or greater than the Minimum Initial Investment Amount; or any transfer in circumstances where as a result of such transfer the transferor or transferee would hold less than the Minimum Shareholding; or any transfer in regard to which any payment of taxation remains outstanding; or any transfer to a person who does not provide all necessary anti-money laundering documentation or clear such anti-money laundering checks as the Directors or their delegate may determine; or any transfer where the transferee has failed to provide the Company or its agent with any documentation reasonably required by the Company or its agent; or any transfer to a person or entity who breached or falsified representations on subscription documents. The Directors may decline to recognise any instrument of transfer unless amongst other issues detailed in the Articles it is in respect of one Class of Share only, is in favour of not more than four transferees and is lodged at the registered office or at such other place as the Directors may appoint.

#### 39.2.11 **Right of Redemption**

Shareholders have the right to request the Company to redeem their Shares in accordance with the provisions of the Articles.

### 39.2.12 **Dividends**

The Articles permit the Directors to declare such dividends on any Class of Shares as appears to the Directors to be justified by the profits of the relevant Fund. The Directors may, satisfy any dividend due to holders of Shares in whole or in part by distributing to them in specie any of the assets of the relevant Fund, and in particular any investments to which the relevant Fund is entitled. Any dividend unclaimed for six years from the date of declaration of such dividend shall be forfeited and shall revert to the relevant Fund.

### 39.2.13 **Funds**

The Directors may from time to time establish, with the prior approval of the Central Bank, additional Funds and/or in accordance with the requirements of the Central Bank designate additional Classes and issue Shares in such Funds or Classes. The Directors are required to establish a separate portfolio of assets for each Fund created by the Company from time to time and each separate portfolio of assets for each Fund will accordingly bear its own liabilities to which the following shall apply

- (a) For each Fund the Company shall keep separate books and records in which all transactions relating to the relevant Fund shall be recorded and, in particular, the proceeds from the allotment and issue of shares of each class in the Fund, the Investments and the liabilities and income and expenditure attributable thereto shall be applied or charged to such Fund subject to the provisions of the Articles;
- (b) any asset derived from any other asset(s) (whether cash or otherwise) comprised in any Fund, shall be applied in the books and records of the Company to the same Fund as the asset from which it was derived and any increase or diminution in the value of such an asset shall be applied to the relevant Fund;
- (c) in the event that there are any assets of the Company which the Directors do not consider are attributable to a particular Fund or Funds, the Directors shall allocate such assets to and among any one or more of the Funds in such manner and on such basis as they, in their discretion, deem fair and equitable; and the Directors shall have the power to and may from time to time vary the basis in relation to assets previously allocated;
- (d) no Shares will be issued on terms that entitle the holder of Shares in any Fund to participate in the assets of the Company other than the assets (if any) of the Fund relating to such Shares. If the proceeds of the assets of the relevant Fund are not sufficient to fund the full repurchase proceeds payable to each holder for the relevant Fund, the proceeds of the relevant Fund will, subject to the terms for the relevant Fund, be distributed equally among each holder of the relevant Fund pro rata to the amount paid upon the Shares held by each Shareholder. If the realised net assets of any Fund are insufficient to pay any amounts due on the relevant Shares in full in accordance with the terms of the relevant Fund, the relevant Shareholders of that Fund will have no further right of payment in respect of such Shares or any claim against the Company, any other Fund or any assets of the Company in respect of any shortfall;
- (e) each Fund shall be charged with the liabilities, expenses, costs, charges or reserves of the Fund in respect of or attributable to that Fund and any such liabilities, expenses, costs, charges, or reserves of the Company not attributable to any particular Fund or Funds shall be allocated and charged by the Directors in such manner and on such basis as the Directors, in their sole and absolute discretion deem fair and equitable, and the Directors shall have the power to and may at any time and from time to time vary such basis including, where circumstances so permit, the re-allocation of such liabilities, expenses, costs, charges and reserves;

- (f) in the event that any asset attributable to a Fund is taken in execution of a liability not attributable to that Fund, the provisions of section 1407 of the Companies Act shall apply.

Subject as otherwise provided in the Articles, the Assets held in each Fund shall be applied solely in respect of the shares of the class (or classes as the case may be) to which such Fund appertains.

#### 39.2.14 **Fund Exchanges**

Subject to the provisions of the Articles, and subject to the prior approval of the Manager, a holder holding Shares in any class in a Fund on any Dealing Day shall have the right from time to time to apply to exchange all or any of such Shares for Shares of the same class in a separate Fund (such Fund being an existing Fund or a Fund agreed by the Directors to be brought into existence with effect from that Dealing Day).

#### 39.2.15 **Termination of Fund**

- (a) Any Fund may be terminated by the Directors, in their sole and absolute discretion, by notice in writing to the Depositary in any of the following events:
  - (i) if at any time the Net Asset Value of the relevant Fund shall be less than such amount as may be determined by the Directors in respect of that Fund; or
  - (ii) if any Fund shall cease to be authorised or otherwise officially approved; or
  - (iii) if any law shall be passed which renders it illegal or in the opinion of the Directors impracticable or inadvisable to continue the relevant Fund; or
  - (iv) if there is a change in material aspects of the business, in the economic or political situation relating to a Fund which the Directors consider would have material adverse consequences on the Investments of the Fund; or
  - (v) if there is any material change in the tax status of the Company or any Fund in Ireland or in any other jurisdiction (including any adverse tax ruling by the relevant authorities in Ireland or any jurisdiction affecting the Company or any Fund) which the Directors consider would result in material adverse consequences on the Holders and/or the Investments of the Fund; or
  - (vi) if the Directors shall have resolved that it is impracticable or inadvisable for a Fund to continue to operate having regard to prevailing market conditions and the best interests of the Shareholders; or
  - (vii) if the Assets held in respect of a Fund are terminated or redeemed and the Directors determine that it is not commercially practical to reinvest the realisation proceeds of such Assets in replacement Assets on terms that will enable the relevant Fund achieve its investment objective and/or to comply with its investment policy; or
  - (viii) if, in the opinion of the Directors, such termination is in the best interests of Holders of Shares in the Fund; or
  - (ix) if such termination is provided for in the Prospectus.
- (b) The Directors shall give notice of termination of a Fund to the Shareholders in the relevant Fund and by such notice fix the date at which such termination is to take effect, which date shall be for such period after the service of such notice as the Directors shall in their sole and absolute discretion determine;

- (c) With effect on and from the date as at which any Fund is to terminate or in the case of (i) below such other date as the Directors may determine:
- (i) No Shares of the relevant Fund may be issued or sold by the Company;
  - (ii) The Investment Manager shall, on the instructions of the Directors, realise all the assets then comprised in the relevant Fund (which realisation shall be carried out and completed in such manner and within such period after the termination of the relevant Fund as the Directors think advisable);
  - (iii) The Depositary shall, on the instructions of the Directors from time to time, distribute to the Shareholders in proportion to their respective interests in the relevant Fund all net cash proceeds derived from the realisation of the relevant Fund and available for the purpose of such distribution, provided that the Depositary shall not be bound (except in the case of the final distribution) to distribute any of the monies for the time being in its hands the amount of which is insufficient to pay €1 or its equivalent amount in the relevant currency in respect of each Share of the relevant Fund and provided also that the Depositary shall be entitled to retain out of any monies in its hands as part of the relevant Fund full provision for all costs, charges, expenses, claims and demands incurred, made or apprehended by the Depositary or the Directors in connection with or arising out of the termination of the relevant Fund and out of the monies so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands; and
  - (iv) Every such distribution referred to above shall be made in such manner as the Directors shall, in their sole and absolute discretion, determine but shall be made only against production of the certificates or warrants relating to the Shares of the relevant Fund if issued in respect of which the same is made and upon delivery to the Depositary of such form of request for payment as the Depositary shall in its absolute discretion require. Any unclaimed proceeds or other cash held by the Depositary may at the expiration of twelve months from the date upon which the same were payable be paid into court subject to the right of the Depositary to deduct therefrom any expenses it may incur in making such payment.
- (d) The Directors shall have the power to propose and implement a merger, reconstruction and/or amalgamation of the Company or any Fund(s) on such terms and conditions as are approved by the Directors subject to the following conditions namely:
- (i) that the prior approval of the Central Bank has been obtained; and
  - (ii) that the Shareholders in the relevant Fund or Funds have been circulated with particulars of the scheme of merger, reconstruction and/or amalgamation in a form approved by the Directors and a special resolution of the Shareholders in the relevant Fund or Funds has been passed approving the said scheme.

The relevant scheme of merger, reconstruction and/or amalgamation shall take effect upon such conditions being satisfied or upon such later date as the scheme may provide or as the Directors may determine whereupon the terms of such scheme shall be binding upon all the Shareholders and the Directors shall have the power to and shall do all such acts and things as may be necessary for the implementation thereof.

#### 39.2.16 ***Winding Up***

The Articles contain provisions to the following effect

- (a) If the Company shall be wound up the liquidator shall, subject to the provisions of the Companies Act, apply the assets of each Fund in such manner and order as he thinks fit in satisfaction of creditors' claims relating to that Fund.
- (b) Following the deduction of the estimated expenses relating to the winding up and liquidation, the assets available for distribution amongst the holders shall be applied as follows: first the proportion of the assets in a Fund attributable to each Class of Share shall be distributed to the holders of Shares in the relevant class in the proportion that the number of Shares held by each holder bears to the total number of Shares relating to each such Class of Shares in issue as at the date of commencement to wind up and secondly, in the payment to the holder(s) of the Subscriber Shares of sums up to the nominal amount paid thereon out of the assets of the Company not attributable to any class of share. In the event that there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the assets of the Company attributable to other classes of shares; and thirdly, any balance then remaining and not attributable to any of the classes of shares shall be apportioned pro-rata as between the classes of shares based on the Net Asset Value attributable to each class of shares as at the date of commencement to wind up and the amount so apportioned to a class shall be distributed to Holders pro-rata to the number of shares in that class of shares held by them.
- (c) A Fund may be wound up pursuant to section 1407 of the Companies Act and in such event the winding up provisions of the Articles shall apply mutatis mutandis in respect of that Fund.
- (d) If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution of the relevant Shareholders and any other sanction required by the Companies Act, divide among the holders of Shares of any class or classes within a Fund in specie the whole or any part of the assets of the Company relating to that Fund, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between all the Shareholders of the Company or the holders of different classes of Shares in a Fund. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no Shareholder shall be compelled to accept any assets in respect of which there is a liability. A Shareholder may request the liquidator, instead of transferring the assets in specie to it, to dispose of them and to pay the net sales proceeds instead.

#### **39.2.17 Share Qualification**

The Articles do not contain a share qualification for Directors.

### **39.3 Litigation and Arbitration**

As at the date of this prospectus, the Company is not involved in any litigation or arbitration as a defendant nor are the Directors aware of any pending or threatened litigation or arbitration by or against the Company where such litigation or arbitration may have a significant effect on the Company's financial position or profitability.

### **39.4 Directors' Interests**

- 39.4.1 At the date of this Prospectus, no Director has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or issued to, the Company and save as disclosed below no Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature and conditions or significant in relation to the business of the Company.

- 39.4.2 At the date of this Prospectus none of the Directors nor any Person Closely Associated, other than Mr. Koning, have any beneficial interest in the share capital of the Company or any options in respect of such capital. Although none of the Directors are required to be investors, all of the Directors and any associates may invest in the Fund.
- 39.4.3 Jonathan R. Simon, Gregory Krenzer and Adam Phillips are employees of Van Eck Associates Corporation.
- 39.4.4 Gijsbert Koning is a Director of both the Company and the Manager.
- 39.4.5 Gijsbert Koning is an employee of the Manager.

Save as disclosed in this section 39.4, no Director has any interest in the promotion of or in any property acquired or proposed to be acquired by the Company.

### 39.5 **Material Contracts**

The following contracts have been entered into otherwise than in the ordinary course of the business intended to be carried on by the Company and are or may be material:

- 39.5.1 the Management Agreement dated 21 December 2020 between the Company and the Manager. This agreement provides that the appointment of the Manager may be terminated by either party by not less than 90 days' prior written notice. Either party may terminate this agreement by notice in writing (in accordance with the procedure set out in the agreement) upon the occurrence of certain events as specified in the agreement such as the liquidation of the other party. The agreement contains certain indemnities in favour of the Manager (and each of its directors, officers, servants, employees, agents and appointees) which are restricted to exclude matters to the extent that they are attributable to the fraud, bad faith, negligence or wilful default in the performance or non-performance by the Manager of its duties or obligations under the agreement.
- 39.5.2 the Investment Management Agreement dated 8 December 2014 between the Manager and Van Eck Associates Corporation as novated by way of a novation agreement dated 22 December 2020 and as may be amended from time to time. This agreement provides that the appointment of Van Eck Associates Corporation may be terminated by either party by not less than 90 days' prior written notice. Either party may terminate this agreement by notice in writing (in accordance with the procedure set out in the agreement) upon the occurrence of certain events as specified in the agreement such as the liquidation of the other party. The agreement contains certain indemnities in favour of Van Eck Associates Corporation (and each of its directors, officers, servants, employees, agents and appointees) which are restricted to exclude matters to the extent that they are attributable to the fraud, bad faith, negligence or wilful default in the performance or non-performance by Van Eck Associates Corporation (or persons designated by it) of its duties or obligations under the agreement.
- 39.5.3 the Depositary Agreement dated 24 January 2020 between the Company and the Depositary. This agreement provides that the appointment of the Depositary will continue unless and until terminated by either party giving to the other 90 days' written notice although in certain circumstances the Depositary Agreement may be terminated immediately by either party provided that the appointment of the Depositary shall continue in force until a replacement depositary approved by the Central Bank has been appointed and provided further that if on or before the date of termination of the Depositary Agreement a new depositary acceptable to the Company and the Central Bank has not been appointed to act as depositary to the Company, an extraordinary general meeting will be convened by the Company at which an ordinary resolution to wind up the Company shall be passed so that Shares in the Company will be repurchased. The Company shall procure that, following repurchase of such Shares (or all but the minimum number required for the Company to be an Irish collective asset management vehicle), a liquidator will be appointed so that the Company may be wound up.



Under the Depositary Agreement the Depositary will be liable to the Company and the Shareholders for any loss suffered by them as a result of the Depositary's negligent or intentional failure to fulfil its obligations under the Regulations. The Depositary is liable to the Company for the loss by the Depositary or a third party to whom the custody of financial instruments that can be held in custody has been delegated. In the case of such a loss of a financial instrument held in custody, the Depositary shall return a financial instrument of identical type or the corresponding amount to the Company or the Investment Manager acting on behalf of the Company without undue delay. The Depositary is not liable if it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. Subject and without prejudice to preceding sentence the Depositary shall not be liable to the Company or the Shareholders or any other person for consequential or indirect or special damages or losses arising out of or in connection with the performance or non-performance by the Depositary of its duties and obligations.

The Company undertakes to hold harmless and indemnify the Depositary (and each of its directors, servants and employees) against any and all actions, proceedings, claims, demands, losses, liabilities, damages, costs or expenses (including reasonable legal and professional fees and reasonable expenses arising therefrom) which may be brought against, suffered or incurred by the Depositary by reason of its performance of its duties under the terms of the Depositary Agreement other than as a result of the Depositary's negligent or intentional failure to fulfil its obligations under the Regulations.

- 39.5.4 the Administration Agreement dated 24 January 2020 between the Company, the Manager and the Administrator as novated by way of a novation agreement dated 22 December 2020 and as may be amended from time to time. This Agreement provides that the appointment of the Administrator will continue for a period of three years and shall automatically renew for successive one year terms unless and until terminated by the Company or the Administrator giving to the other notice of non-renewal of at least ninety days prior written notice although in certain circumstances, as described in the Administration Agreement, the Administration Agreement may be terminated immediately by either party.

The Administration Agreement provides that in the absence of negligence, bad faith, fraud or wilful default in the performance of the services described in the Administration Agreement, the Administrator shall not be liable for any error of judgment or mistake of law or for any loss arising out of any investment or for any act or omission in carrying out its duties and shall not in any circumstances be liable for any indirect, special, punitive or consequential damages.

Under the Administration Agreement, the Company shall indemnify the Administrator out of the assets of the relevant sub-fund from and against all actions, suits and claims, losses, damages, costs, charges, reasonable counsel fees and disbursements, payments, expenses and liabilities arising directly or indirectly out of any act or omission of the Administrator in the performance or non-performance of its duties or as a result of the Administrator's reliance upon any instructions, notice or instrument that the Administrator reasonably believes is genuine and signed or presented by an authorised Person or any loss, delay, misdelivery or error in transmission of any cable, telegraphic or electronic communication; provided that this indemnification shall not apply if any such loss, damage or expense is caused by or arises from the Administrator's bad faith, fraud, negligence or wilful default in the performance of its duties.

## 39.6 **Miscellaneous**

### 39.6.1 ***The Company***

As of the date of this Prospectus, the Company does not have any loan capital (including term loans) outstanding or created but unissued or any outstanding mortgages, charges, debentures or other borrowings

or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantee or other contingent liabilities.

No commissions, discounts, brokerages or other special terms have been paid or granted by the Company, or are payable by the Company for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any Shares or loan capital of the Company.

Save as may result from the entry by the Company into the agreements listed in the section entitled **Material Contracts** above or any other fees, commissions or expenses discharged, no amount or benefit has been paid or given or is intended to be paid or given to any promoter of the Company.

The Company has concluded a service provision agreement with Glass Lewis Europe Limited, whereby Glass Lewis Europe Limited's voting recommendations can be used for exercising voting rights attached to securities held by the relevant sub-funds.<sup>2</sup>

#### 39.6.2 ***The Manager***

Where it is permitted under the applicable rules and regulations of a country where the Shares of the Funds are marketed, the Manager may, out of its own funds, pay or grant or agree to pay commissions, discounts, brokerages or other special terms for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for Shares or loan capital of the Fund. The material terms of any related agreement will be provided to Shareholders on request.

The Manager may pay an amount of its fees to distributors with whom it has agreements.

#### 39.6.3 ***The Investment Manager***

The Investment Manager may pay a portion of its fee to distributors, dealers or other entities that assist either of them in the performance of its duties or provide services, directly or indirectly, to the Funds or Shareholders.

The Investment Manager may enter into private arrangements on a negotiated basis with Shareholders or prospective Shareholders. The selection of Shareholders or prospective Shareholders with whom such private arrangements may be made and the terms on which the Manager, Investment Manager or their respective affiliates, designees or placement agents may enter into such private arrangements are a matter for the relevant entity, except that as a condition of any such arrangements, the Company will not thereby incur any obligation or liability whatsoever.

### 39.7 **Documents for Inspection**

Copies of the following documents may be inspected at the offices of the Administrator at its address as set out in this Prospectus, during normal business hours, except Saturdays, Sundays and public holidays:

39.7.1 the Articles;

39.7.2 the Prospectus (as amended and supplemented) and the Supplements;

39.7.3 the Key Investor Information Documents;

39.7.4 the material contracts referred to above;

39.7.5 the Regulations;

39.7.6 details of notices sent to Shareholders;

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<sup>2</sup> VanEck to review and confirm

39.7.7 the CBI UCITS Regulations; and

39.7.8 a list of any directorships or partnerships, past or present, held by the Directors in the last five years.

Copies of the Articles (and, after publication thereof, the periodic reports and accounts) may be obtained from the Administrator free of charge.

## 39.8 **Complaints procedure**

General complaints regarding the activities of the company or complaints regarding the board of directors may be addressed directly to the Company or sent to [complaints-europe@vaneck.com](mailto:complaints-europe@vaneck.com).

Complaints regarding the management company or its appointed bodies can be addressed directly to the management company or sent to [complaints-europe@vaneck.com](mailto:complaints-europe@vaneck.com). Information on internal Complaint management procedures of the management company are available on request to its e-mail address or by post.

In the event of complaints about the services provided by a distributor, financial intermediary or intermediary, shareholders are invited to contact the relevant distributor, financial intermediary or intermediary if they require additional information about any rights they may have as a result of their relationship with the distributor, financial intermediary or intermediary.

Complaints may be addressed in the official language (or one of the official languages) of the investor's Member State.

Investors can enforce their rights by either pursuing legal action in the ordinary courts or, where available, by opting for alternative dispute resolution methods.

## APPENDIX 1- DEFINITIONS

|                               |   |
|-------------------------------|---|
| <b>Administrator</b>          | means State Street Fund Services (Ireland) Limited or any other person or persons for the time being duly appointed administrator in their succession in accordance with the requirements of the Central Bank.  |
| <b>Application Form</b>       | means the original form which must be submitted with the Subscription Form upon an initial application or exchange of Shares. It only needs to be submitted with subsequent applications if the investors' details or circumstances have changed from when this form was originally submitted.  |
| <b>Articles</b>               | means the Memorandum and Articles of Association of the Company.  |
| <b>Authorised Participant</b> | means an entity or person authorised by the Company for the purposes of subscribing for and redeeming Creation Units with the Fund.   |
| <b>Base Currency</b>          | means in relation to any Class of Shares such currency as is specified in the Supplements hereto (or in the relevant Supplement in the case of any subsequent Funds that may be established periodically by the Company with the prior approval of the Central Bank).   |
| <b>Business Day</b>           | means a day on which banks are open for business in such jurisdictions and/or cities as are specified in the Supplement hereto (or in the relevant Supplement in the case of any subsequent Funds that may be established periodically by the Company with the prior approval of the Central Bank), for the relevant Fund or such other day(s) as the Directors may, with the approval of the Depositary, determine.  |
| <b>Cash Component</b>         | means the amount of cash required to equalize any differences between the value of the securities set out in the Portfolio Composition File and the Net Asset Value for each Creation Unit (being the Net Asset Value per Share multiplied by the number of Shares in a Creation Unit). Ordinarily the Cash Component will be the same for subscriptions and redemptions; however it may be different in cases in which the Portfolio Composition File is different for subscriptions and redemptions on a given day for one or more Funds. |
| <b>Cash Transaction Fee</b>   | means the fee payable to the Administrator as agent for the Company where Shares are subscribed or redeemed for cash, the amount of that charge being specified in the relevant Supplement.   |
| <b>CBI UCITS Regulations</b>  | means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertaking for Collective Investment in Transferable Securities) Regulation 2019 and related guidance issued by the Central Bank as amended, supplemented, consolidated or otherwise modified from time to time.  |
| <b>Central Bank</b>           | means the Central Bank of Ireland or any successor authority.   |
| <b>Class(-es)</b>             | means the class or classes of Shares relating to a Fund where specific features with respect to subscription, exchange, redemption or contingent deferred sales charge, minimum subscription amount, dividend policy, investor eligibility criteria, voting rights or other specific features may be applicable. The details applicable to each Class will be described in the Supplement for the relevant Fund.  |
| <b>Common Depositary</b>      | means the entity appointed as a depositary for the ICSD and nominated to hold the Global Share Certificate, currently Citibank Europe p.l.c.  |

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| <b>Common Depository Nominee</b>   | means the entity appointed as nominee for any Common Depository and as such acts as the registered legal holder of the Shares in the Fund.   |
| <b>Companies Act</b>               | means the Irish Companies Act, 2014 (as may be amended, consolidated or supplemented from time to time) including any regulations issued pursuant thereto, insofar as they apply to open-ended investment companies with variable capital.   |
| <b>Company</b>                     | means VanEck UCITS ETFs plc.   |
| <b>Connected Person</b>            | means the persons defined as such in the section entitled <b>Fund Transactions and Conflicts of Interest</b> .   |
| <b>Creation Unit</b>               | means for each Fund and as specified in the relevant supplement, the pre-determined number of Shares which must be subscribed for or redeemed when subscribing or redeeming in specie or in cash.  |
| <b>Data Protection Legislation</b> | means the EU Data Protection Directive 95/46/EC and the EU Privacy & Electronic Communications Directive 2002/58/EC, any amendments and replacement legislation including the GDPR, European Commission decisions, binding EU and national guidance and all national implementing legislation.   |
| <b>Dealing Day</b>                 | means in relation to each Class of Shares such day or days as is specified in the relevant Supplement or such other day(s) as the Directors may with the approval of the Depository determine and notify in advance to Shareholders provided always that there shall be at least one per fortnight.  |
| <b>Dealing Deadline</b>            | means in relation to applications for subscription, exchange or redemption of Shares in a Fund, the deadline specified in the Supplement for the relevant Fund.  |
| <b>Dematerialised Form</b>         | means Shares the title to which is recorded as being in uncertificated form and which may be transferred by means of a computer based settlement system in accordance with the Companies Act 1990 (Uncertified Securities) Regulations, 1996 (of Ireland).   |
| <b>Depository</b>                  | means State Street Custodial Services (Ireland) Limited or any other person or persons for the time being duly appointed Depository hereof in their succession in accordance with the requirements of the Central Bank.  |
| <b>Distributor</b>                 | VanEck (Europe) GmbH or such other distributor appointed by the Manager and/or any successor thereto or additional entity duly appointed as a distributor for the Company in accordance with the requirements of the Central Bank and as specified in the Supplement for the relevant Fund.  |
| <b>Directors</b>                   | means the directors of the Company.  |
| <b>Duties and Charges</b>          | means, in relation to any Fund, all stamp and other duties, taxes, governmental charges, brokerage, bank charges, foreign exchange spreads, interest, depository or sub-custodian charges (relating to sales and purchases), transfer fees, registration fees and other duties and charges whether in connection with the original acquisition or increase of the assets of the relevant Fund or the creation, issue, sale, switching or repurchase of Shares or the sale or |

purchase of Investments or in respect of certificates or otherwise which may have become or may be payable in respect of or prior to or in connection with or arising out of or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable, which, for the avoidance of doubt, includes, when calculating subscription and redemption prices, any provision for spreads (to take into account the difference between the price at which assets were valued for the purpose of calculating the Net Asset Value and the estimated price at which such assets shall be bought as a result of a subscription and sold as a result of a redemption), but shall not include any commission payable to agents on sales and purchases of Shares or any commission, taxes, charges or costs which may have been taken into account in ascertaining the Net Asset Value of Shares in the relevant Fund.

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| <b>EEA</b>                     | means the European Economic Area (Member States, Iceland, Norway, and Liechtenstein).  |
| <b>EU</b>                      | means the European Union.  |
| <b>EU Benchmark Regulation</b> | means Regulation (EU) 2061/1011 of the European Parliament and the council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.  |
| <b>Euroclear</b>               | means Euroclear Bank S.A. and any such successor in business thereto, as operator of the Euroclear clearing system, a Recognised Clearing System, which provides securities services to the Company.   |
| <b>Euronext</b>                | means the Irish Stock Exchange p.l.c. trading as Euronext Dublin and any successor thereto.  |
| <b>Exempt Irish Investor</b>   | means: <ul style="list-style-type: none"> <li>• a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the Taxes Act or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the Taxes Act applies;</li> <li>• a company carrying on life business within the meaning of Section 706 of the Taxes Act;</li> <li>• an investment undertaking within the meaning of Section 739B(1) of the Taxes Act;</li> <li>• a special investment scheme within the meaning of Section 737 of the Taxes Act;</li> <li>• a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act;</li> <li>• a unit trust to which Section 731(5)(a) of the Taxes Act applies;</li> <li>• a qualifying fund manager within the meaning of Section 784A(1)(a) of the Taxes Act where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;</li> <li>• a qualifying management company within the meaning of Section 739B of the Taxes Act;</li> <li>• an investment limited partnership within the meaning of Section 739J of the Taxes Act;</li> <li>• a personal retirement savings account ("PRSA") administrator acting on behalf of a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the Taxes Act and the Shares are assets of a PRSA;</li> <li>• a credit union within the meaning of Section 2 of the Credit Union Act, 1997;</li> <li>• the National Asset Management Agency;</li> <li>• the National Treasury Management Agency or a Fund investment vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner, or the State acting through the National Treasury Management Agency;</li> <li>• the Motor Insurers' Bureau of Ireland in respect of an investment made by it of moneys paid to the Motor Insurer Insolvency Compensation Fund under the Insurance Act 1964 (amended by the Insurance (Amendment) Act 2018), and the Motor Insurers' Bureau of Ireland has made a declaration to that effect to the Company;</li> <li>• a company which is within the charge to corporation tax in accordance with Section 110(2) of the Taxes Act in respect of payments made to it by the Company;</li> <li>• a PEPP provider (within the meaning of Chapter 2D of Part 30 of the Taxes Act) acting on behalf of a person who is entitled to an exemption from income tax and capital gains</li> </ul> |

- tax by virtue of Section 787AC of the Taxes Act and the Shares held are assets of a PEPP (within the meaning of Chapter 2D of Part 30 of the Taxes Act); or
- any other Irish Resident or persons who are Ordinarily Resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Irish Revenue Commissioners without giving rise to a charge to tax in the Company or jeopardising tax exemptions associated with the Company giving rise to a charge to tax in the Company;

provided that they have correctly completed the Relevant Declaration.

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| <b>FCA</b>                      | means the Financial Conduct Authority of the United Kingdom.   |
| <b>FDI</b>                      | means a financial derivative instrument (including an OTC derivative) permitted by the Regulations.  |
| <b>Fund Assets</b>              | means the Transferable Securities and/or the financial derivative instruments and/or the other financial instruments and eligible assets invested in by a Fund and cash held by the Fund in accordance with the Regulations, as further described in the relevant Supplement.  |
| <b>Funds</b>                    | means the funds, details of which are set out in the Supplements hereto (and in the relevant Supplement in the case of any other Funds that may be established periodically by the Company with the prior approval of the Central Bank).   |
| <b>FSMA</b>                     | means the Financial Services and Markets Act 2000, as may be amended, of the United Kingdom.   |
| <b>GDPR</b>                     | means Regulation (EU) 2016/679 known as the General Data Protection Regulation.  |
| <b>Global Share Certificate</b> | means the certificate evidencing entitlement to the Shares of any Fund using the ICSD settlement model, issued pursuant to the Articles and this Prospectus.   |
| <b>Group Companies</b>          | mean companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with international accounting rules.  |
| <b>ICSD</b>                     | means International Central Securities Depositories being such Recognised Clearing Systems used by the Funds in issuing their Shares through the International Central Securities Depository settlement system, which is an international settlement system connected to multiple national markets, and which includes Euroclear and/or Clearstream. |
| <b>Index</b>                    | means the index of securities or eligible assets which a Fund may aim to replicate, pursuant to its investment objective and in accordance with its investment policies, as specified in the relevant Supplement.  |
| <b>Index Provider</b>           | means in relation to a Fund, the entity or person acting by itself or through a designated agent which compiles, calculates and publishes information on the Index corresponding to a Fund and who has licensed the Index to the Company, as specified in the relevant Supplement.   |
| <b>Index Securities</b>         | means those securities or eligible assets selected by the Index Provider and constituting the relevant Index (and each component an <b>Index Security</b> ).   |

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| <b>In Specie Transaction Fee</b>         | means the fee amount payable by an Authorised Participant in the currency specified in the relevant Supplement, in addition to the value of the Creation Units subscribed for, or deducted from the value of the Creation Units redeemed.   |
| <b>Initial Issue Price</b>               | means the price per Share at which Shares are initially offered in a Fund for such period as is specified in the Supplement for the relevant Fund.  |
| <b>Intermediary</b>                      | means a person who:- <ul style="list-style-type: none"> <li>• carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or</li> <li>• holds shares in an investment undertaking on behalf of other persons.</li> </ul>   |
| <b>Investment Manager</b>                | means such entity or entities as may be appointed by the Manager as investment manager of a Fund in accordance with the CBI UCITS Regulations, details of which are contained in this document and in the Supplement for the relevant Fund;   |
| <b>Ireland</b>                           | means the Republic of Ireland   |
| <b>Irish Resident</b>                    | means: <ul style="list-style-type: none"> <li>• in the case of an individual, means an individual who is resident in Ireland for tax purposes.</li> <li>• in the case of a trust, means a trust that is resident in Ireland for tax purposes.</li> <li>• in the case of a company, means a company that is resident in Ireland for tax purposes.</li> </ul> <p>An individual will be regarded as being resident in Ireland for a tax year if he/she is present in Ireland: (1) for a period of at least 183 days in that tax year; or (2) for a period of at least 280 days in any two consecutive tax years, provided that the individual is present in Ireland for at least 31 days in each period. In determining days present in Ireland, an individual is deemed to be present if he/she is in Ireland at any time during the day.</p> <p>A trust will generally be Irish resident where the trustee is resident in Ireland or a majority of the trustees (if more than one) are resident in Ireland.</p> <p>A company incorporated in Ireland and also companies not so incorporated but that are managed and controlled in Ireland, will be tax resident in Ireland except to the extent that the company in question is, by virtue of a double taxation treaty between Ireland and another country, regarded as resident in a territory other than Ireland (and thus not resident in Ireland).</p> <p>It should be noted that the determination of a company's residence for tax purposes can be complex in certain cases and prospective investors are referred to the specific legislative provisions that are contained in Section 23A of the Taxes Act.</p> |
| <b>Key Investor Information Document</b> | means the key investor information document issued in respect of each Fund pursuant to the Regulations, as may be amended from time to time in accordance with the CBI UCITS Regulations.   |
| <b>Manager</b>                           | means VanEck Asset Management B.V.  |
| <b>Market</b>                            | means a stock exchange or regulated market which is listed in Appendix 2.   |
| <b>MiFID II</b>                          | means Commission Delegated Directive (EU) of 7 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to safeguarding of   |



financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits.

**Member State** means a member state for the time being of the EU, the current member states being: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, and Sweden.

**Minimum Holding** means such number of Shares or Shares having such value (if any) as is specified in the Supplement for the relevant Fund.

**Minimum Initial Subscription** means such amount in the relevant Base Currency which must be initially subscribed by each Shareholder for Shares of any Class in a Fund as is specified for the relevant Fund in the Supplement hereto.

**Money Market Instruments** shall have the meaning prescribed to them in the CBI UCITS Regulations.

**Month** means calendar month.

**Net Asset Value or Net Asset Value per Share** means in respect of the assets of a Fund or in respect of a Share of any Class, the amount determined in accordance with the principles set out in this Prospectus in the section entitled **Issue and Redemption Prices/Calculation of Net Asset Value/Valuation of Assets** as the Net Asset Value of a Fund or the Net Asset Value per Share.

**OECD** means the Organisation for Economic Co-operation and Development (the current members being: Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Mexico, New Zealand, Norway, Poland, Portugal, Slovak Republic, Spain, Sweden, Switzerland, The Netherlands, Turkey, United Kingdom and United States).

**Ordinarily Resident in Ireland** means:

- in the case of an individual, means an individual who is ordinarily resident in Ireland for tax purposes.
- in the case of a trust, means a trust that is ordinarily resident in Ireland for tax purposes.

An individual will be regarded as ordinarily resident for a particular tax year if he/she has been Irish Resident for the three previous consecutive tax years (i.e. he/she becomes ordinarily resident with effect from the commencement of the fourth tax year). An individual will remain ordinarily resident in Ireland until he/she has been non-Irish Resident for three consecutive tax years. Thus, an individual who is resident and ordinarily resident in Ireland in the tax year 1 January 2021 to 31 December 2021 and departs from Ireland in that tax year will remain ordinarily resident up to the end of the tax year 1 January 2024 to 31 December 2024.

The concept of a trust's ordinary residence is somewhat obscure and linked to its tax residence.

**OTC derivative** means an FDI which is dealt in an "over-the-counter" market.

|                                   |   |
|-----------------------------------|---|
| <b>Participant(s)</b>             | means accountholders in an ICSD, which may include Authorised Participants, their nominees or agents and who hold their interest in Shares settled and/or cleared through the applicable ICSD.  |
| <b>Person Closely Associated</b>  | <p>means in relation to a director, means</p> <p>(a) the spouse of the director,</p> <p>(b) dependent children of the director,</p> <p>(c) other relatives of the director, who have shared the same household as that person for at least one year on the date of the transaction concerned,</p> <p>(d) any person -</p> <p style="padding-left: 40px;">(i) the managerial responsibilities of which are discharged by a person -</p> <p style="padding-left: 80px;">(a) discharging managerial responsibilities within the issuer, or</p> <p style="padding-left: 80px;">(b) referred to in paragraph (a), (b) or (c) of this definition,</p> <p style="padding-left: 40px;">(ii) that is directly or indirectly controlled by a person referred to in subparagraph (i) of paragraph (d) of this definition,</p> <p style="padding-left: 40px;">(iii) that is set up for the benefit of a person referred to in subparagraph (i) of paragraph (d) of this definition, or</p> <p style="padding-left: 40px;">(iv) the economic interests of which are substantially equivalent to those of a person referred to in subparagraph (i) of paragraph (d) of this definition.</p> |
| <b>Portfolio Composition File</b> | means the statement prepared by the Administrator and published on each Dealing Day for each Fund via one or more market data suppliers and on the Website identifying each of the securities and the quantities thereof which the Fund will expect to be delivered to it when one Creation Unit is subscribed for, or delivered by it when one Creation Unit is redeemed. Such statement will also be available at the office of the Administrator. Ordinarily the Portfolio Composition File will be the same for subscriptions and redemptions; however, in certain circumstances, it may be different for subscriptions and redemptions on a given day for one or more Funds. The Portfolio Composition File will comprise securities in which the Fund may invest in accordance with its investment objective, policies and restrictions.  |
| <b>Portfolio Deposit</b>          | means the portfolio of securities, plus or minus (as the case may be) the Cash Component, to be delivered to the Fund in subscribing for one Creation Unit or to be delivered by the Fund in redeeming one Creation Unit.   |
| <b>Prospectus</b>                 | means the prospectus issued from time to time by the Company as amended, supplemented, consolidated or otherwise modified from time to time.  |
| <b>Recognised Clearing System</b> | means any clearing system listed in Section 246A of the Taxes Act (including, but not limited to Clearstream Banking SA, Clearstream Banking AG, Euroclear, CREST, National Securities Clearing Corporation, Sicovam SA, SIS Segfa Intersecttle AG and Netherlands Centraal Instituut voor Giraal Effectenverkeer B.V.) or any other system for clearing shares which is designated for the purposes of Chapter 1A in Part 27 of the Taxes Act, by the Irish Revenue Commissioners, as a recognised clearing system.  |
| <b>Regulations</b>                | means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011) as amended and supplemented from time to time and the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016 and includes any conditions that may from time   |

to time be imposed thereunder by the Central Bank whether by notice or otherwise affecting the Company.

|                             |  |
|-----------------------------|--|
| <b>Related Companies</b>    | has the meaning assigned thereto in Section 2(10) of the Companies Act as amended from time to time. In general, this provision states that companies are related where 50% of the paid up share capital of, or 50% of the voting rights in, one company are owned directly or indirectly by another company.  |
| <b>Relevant Declaration</b> | means the declaration relevant to the Shareholder as set out in Schedule 2B of the Taxes Act.  |
| <b>Relevant Period</b>      | means a period of 8 years beginning with the acquisition of a Share by a Shareholder and each subsequent period of 8 years beginning immediately after the preceding Relevant Period.  |
| <b>SEC</b>                  | means the US Securities and Exchange Commission.   |
| <b>Secondary Market</b>     | means a market on which Shares of the Funds are traded between investors rather than with the Company itself, which may either take place on a recognised stock exchange or OTC.   |
| <b>Settlement Date</b>      | means in respect of receipt of monies for payment of subscription monies or dispatch of monies for the redemption of Shares the dates specified in the Supplements for each Fund.  |
| <b>Shares</b>               | means shares in the Company and includes, where the context so permits or requires, the Shares in a Fund which may be divided into different Classes.  |
| <b>Shareholders</b>         | Means registered holders of Shares, and each a Shareholder.  |
| <b>Specified US Person</b>  | means (i) a US citizen or resident individual, (ii) a partnership or corporation organized in the United States or under the laws of the United States or any State thereof (iii) a trust if (a) a court within the United States would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and (b) one or more US persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the United States excluding (1) a corporation the stock of which is regularly traded on one or more established securities markets; (2) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the U.S. Internal Revenue Code, as a corporation described in clause (i); (3) the United States or any wholly owned agency or instrumentality thereof; (4) any State of the United States, any U.S. Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing; (5) any organization exempt from taxation under section 501(a) or an individual retirement plan as defined in section 7701(a)(37) of the U.S. Internal Revenue Code; (6) any bank as defined in section 581 of the U.S. Internal Revenue Code; (7) any real estate investment trust as defined in section 856 of the U.S. Internal Revenue Code; (8) any regulated investment company as defined in section 851 of the U.S. Internal Revenue Code or any entity registered with the Securities Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-64); (9) any common trust fund as defined in section 584(a) of the U.S. Internal Revenue Code; (10) any trust that is exempt from tax under section 664(c) of the U.S. Internal Revenue Code or that is described in section 4947(a)(1) of the U.S. Internal Revenue Code; (11) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State; or (12) a broker as defined in section 6045(c) of the U.S. Internal Revenue Code. This definition shall be interpreted in accordance with the US Internal Revenue Code. |
| <b>Subscription Form</b>    | means the subscription form to be completed in respect of each purchase of Shares.   |

|  |  |
|--|--|
| <b>Supplement</b>                          | means the Supplements to this Prospectus (each a Supplement) and any Supplement issued by the Company in relation to the creation of new Funds and/or Share Classes.   |
| <b>Sustainability Factors</b>              | environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.  |
| <b>SFDR</b>                                | SFDR: Sustainable Finance Disclosure Regulation, Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector  |
| <b>Transferable Securities</b>             | shall have the meaning prescribed to them in the CBI UCITS Regulations.  |
| <b>Transfer Taxes</b>                      | means all stamp, transfer and other duties and taxes for which the Company may be liable in relation to a Fund for receiving the requisite securities on a subscription for Creation Units of delivering the requisite securities on redemption of one or more Creation Units.   |
| <b>Taxes Act</b>                           | means the Irish Taxes Consolidation Act, 1997 as amended from time to time.  |
| <b>UCITS</b>                               | means an undertaking for collective investment in transferable securities pursuant to the UCITS Directive.   |
| <b>UCITS Directive</b>                     | means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 as regards depositary functions, remunerations policies and sanctions, including its mandatory implementing regulations on an EU or Home Member State level, as amended, supplemented, consolidated or otherwise modified from time to time.  |
| <b>United Kingdom or UK</b>                | means the United Kingdom of Great Britain and Northern Ireland.  |
| <b>United States or U.S. or US</b>         | means the United States of America, its territories, possessions and all areas subject to its jurisdiction (including the Commonwealth of Puerto Rico).  |
| <b>United States Person or U.S. Person</b> | means (i) a citizen or resident of the United States, (ii) a corporation or partnership created or organised in the United States or under the law of the United States or any state, (iii) a trust where (a) a US court is able to exercise primary supervision over the administration of the trust and (b) one or more US Persons have the authority to control all substantial decisions of the trust or (iv) an estate which is subject to US tax on its worldwide income from all sources. In addition, the term US Person includes (i) any individual or entity that would be a US Person under Regulation S of the 1933 Act, and (ii) any other person or entity as the Directors may determine. The Directors may amend the definition of <b>United States Person</b> without notice to Shareholders as necessary in order best to reflect then-current applicable US law and regulation. The Regulation S definition is set out in full in each application form and in Appendix 3 of this Prospectus. |
| <b>Valuation Point</b>                     | means the point in time by reference to which the Net Asset Value of a Fund is calculated as is specified in the Supplements for the relevant Fund.  |
| <b>Website</b>                             | means the website for each Fund as set out in the relevant Supplement, on which the Net Asset Value per Share and the Portfolio Composition File in its Base Currency will be  |

published and on which this Prospectus, the Supplements and any other information in respect of the Company or any of the Funds, including various Shareholder communications may be published.

In this Prospectus references to **Euro** and **€** are references to the lawful currency of Ireland, references to **Sterling** or **£** are to the lawful currency of the United Kingdom and references to **US\$** or **US Dollars** are to the lawful currency of the United States. All references to the foregoing currencies shall include any successor currency.

## APPENDIX 2- MARKETS

The exchanges/markets are set out below in accordance with the requirements of the Central Bank which does not issue a list of approved markets.

With the exception of permitted investment in unlisted securities, over-the-counter derivative instruments or in units of open-ended collective investment schemes, investment will be limited to the following stock exchanges and regulated markets which operate regularly and are recognised and open to the public:

- 1 Any stock exchange or market which is:
  - 1.1 located in any Member State of the European Union (except Malta); or
  - 1.2 located in a member state of the European Economic Area (except Liechtenstein); or
  - 1.3 located in any of the member countries of the OECD including their territories covered by the OECD Convention; or
  - 1.4 located in Hong Kong.
- 2 Any stock exchange or market included in the following list of countries:

| Country            |   | Stock Exchange   |
|--------------------|---|--|
| Argentina          | - | Bolsa de Comercio de Buenos Aires, Cordoba, Mendoza, Rosario and La Plata Stock Exchange;  |
| Bahrain            | - | Bahrain Stock Exchange;  |
| Bangladesh         | - | Chittangong Stock Exchange and Dhaka Stock Exchange;   |
| Botswana           | - | Botswana Stock Exchange;   |
| Brazil             | - | Bolsa de Valores de Sao Paulo, Bolsa de Valores de Brasilia, Bolsa de Valores de Bahia-Sergipe - Alagoas, Bolsa de Valores de Extremo Sul, Bolsa de Valores de Parana, Bolsa de Valores de Regional, Bolsa de Valores de Santos, Bolsa de Valores de Pernambuco e Paraiba, Bolsa de Valores de Rio de Janeiro, Extremo Sul Porto Alegre, Parana Curitiba, Regional Fortazela, Pernambuco e Bahia Recife, Bolsa de Mercadorias and Futuros; |
| Chile              | - | Santiago Stock Exchange, Valparaiso Stock Exchange and Bolsa de Comercio de Santiago;  |
| China              | - | Shanghai Stock Exchange; Shenzhen Stock Exchange; and China InterBank Bond Market;   |
| Colombia           | - | Bolsa de Bogota, Bolsa de Medellin and Bolsa de Valores de Colombia;   |
| Costa Rica         | - | Bolsa Nacional de Valores;   |
| Cyprus             | - | Larnaca Stock Exchange;  |
| The Czech Republic | - | Prague Stock Exchange;   |
| Egypt              | - | Cairo Stock Exchange and Alexandria Stock Exchange;  |
| Estonia            | - | Talinn Stock Exchange;   |
| Ghana              | - | Ghana Stock Exchange;  |
| Hungary            | - | Budapest Stock Exchange;   |
| Iceland            | - | Reykjavik Stock Exchange;  |
| India              | - | Mumbai Stock Exchange, Madras Stock Exchange, Delhi Stock Exchange, Ahmedabad Stock Exchange, Bangalore Stock Exchange, Cochin Stock Exchange, Guwahati Stock Exchange, Magadh Stock Exchange, Pune Stock Exchange, Hyderabad Stock Exchange, Ludhiana Stock Exchange, Uttar Pradesh Stock Exchange, Calcutta Stock Exchange and the National Stock Exchange of India;   |
| Indonesia          | - | Jakarta Stock Exchange, Surabaya Stock Exchange and Indonesia Stock Exchange;  |
| Israel             | - | Tel Aviv Stock Exchange;   |
| Kazakhstan         | - | Kazakhstan Stock Exchange;   |
| Kenya              | - | Nairobi Stock Exchange;  |
| Kuwait             | - | Kuwait Stock Exchange;   |
| Latvia             | - | Riga Stock Exchange;   |
| Malaysia           | - | Kuala Lumpur Stock Exchange and Bursa Malaysia;  |
| Mauritius          | - | Stock Exchange of Mauritius;   |
| Mexico             | - | Bolsa Mexicana de Valores;   |
| Morocco            | - | Casablanca Stock Exchange;   |

|                 |   |   |
|-----------------|---|---|
| Namibia         | - | Namibian Stock Exchange;  |
| Nigeria         | - | Lagos Stock Exchange, Kaduna Stock Exchange and Port Harcourt Stock Exchange; |
| Oman            | - | Muscat Securities Market;   |
| Pakistan        | - | Lahore Stock Exchange and Karachi Stock Exchange;                             |
| Peru            | - | Bolsa de Valores de Lima ;  |
| Philippines     | - | Philippines Stock Exchange;   |
| Poland          | - | Warsaw Stock Exchange and TBS Poland;   |
| Qatar           | - | Doha Stock Exchange;  |
| Russia          | - | Moscow Exchange;  |
| Saudi Arabia    | - | Riyadh Stock Exchange;  |
| Serbia          | - | Belgrade Stock Exchange   |
| Singapore       | - | The Stock Exchange of Singapore;  |
| Slovak Republic | - | Bratislava Stock Exchange;  |
| Slovenia        | - | Ljubljana Stock Exchange;   |
| South Africa    | - | Johannesburg Stock Exchange;  |
| South Korea     | - | Korea Stock Exchange/KOSDAQ Market  |
| Swaziland       | - | Swaziland Stock Exchange;   |
| Sri Lanka       | - | Colombo Stock Exchange;   |
| Taiwan          | - | Taiwan Stock Exchange; Taipei Exchange  |
| Thailand        | - | The Stock Exchange of Thailand;   |
| Tunisia         | - | Tunis Stock Exchange;   |
| Turkey          | - | Istanbul Stock Exchange and Borsa Istanbul;                                   |
| Uganda          | - | Uganda Securities Exchange;   |
| Ukraine         | - | Ukrainian Stock Exchange;   |
| Uruguay         | - | Montevideo Stock Exchange;  |
| Zambia          | - | Lusaka Stock Exchange;  |
| Zimbabwe        | - | Zimbabwe Stock Exchange;  |

3 Any of the following:

- 3.1 The UK market (i) conducted by banks and other institutions regulated by the FCA and subject to the Inter-Professional Conduct provisions of the FCA's Market Conduct Sourcebook; and (ii) in non-investment products which is subject to the guidance contained in the "Non-Investment Products Code" drawn up by the participants in the London market, including the FCA and the Bank of England (formerly known as the Grey Paper);
- 3.2 The "listed money market institutions" as described in the Bank of England publication "The Regulation of the Wholesale Cash and OTC Derivatives Market in Sterling, Foreign Currency and Bullion" dated April, 1988 (as amended from time to time);
- 3.3 The market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York;
- 3.4 The over-the-counter market in the United States regulated by the Financial Industry Regulatory Authority Inc. (FINRA), also described as the over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by the FINRA (and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);
- 3.5 NYSE;
- 3.6 NASDAQ in the United States;
- 3.7 The over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;
- 3.8 The Over-the-Counter market in Canadian Government Bonds as regulated by the Investment Dealers Association of Canada;

- 3.9 The French market for "Titres de Creance Negotiable" (over-the-counter market in negotiable debt instruments); and
- 3.10 AIM-the Alternative Investment Market in the UK regulated and operated by the London Stock Exchange.
- 3.11 the market organised by the International Capital Markets Association.
- 3.12 In relation to any derivatives contract used, any market or exchange on which such contract may be acquired or sold which is referred to in clause 1 (i), (ii) or (iii) above and/or is regulated, recognised, operates regularly, and is open to the public, or which is (a) located in the European Economic Area, (b) located in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, the United Kingdom, the United States, Brazil, Chile, Colombia, Hungary, Indonesia, Malaysia, Mexico, Nigeria, Peru, Philippines, Poland, Romania, Russia, South Africa, Thailand and Turkey or (c) markets which are open to the public including but not limited to:
- 3.12.1 the Chicago Board of Trade;
  - 3.12.2 the Mercantile Exchange;
  - 3.12.3 the Chicago Board Options Exchange;
  - 3.12.4 EDX London;
  - 3.12.5 Hong Kong Futures Exchange;
  - 3.12.6 Tokyo International Financial Futures Exchange;
  - 3.12.7 Bolsa de Mercadorias e Futuros;
  - 3.12.8 China Financial Futures Exchange;
  - 3.12.9 Mercado Mexicano de Derivados;
  - 3.12.10 the Korean Futures Exchange;
  - 3.12.11 the Singapore Monetary Exchange;
  - 3.12.12 MEFF;
  - 3.12.13 South Africa Futures Exchange (SAFEX);
  - 3.12.14 CBOE Futures Exchange; and
  - 3.12.15 TSX Group Exchange.



### APPENDIX 3- DEFINITION OF UNITED STATES PERSON

For purposes of this Prospectus, a **United States Person**, **U.S. Person** or **US Person** means:

- (i) Any natural person resident in the United States;
- (ii) Any partnership or corporation organized or incorporated under the laws of the United States;
- (iii) Any estate of which any executor or administrator is a US Person;
- (iv) Any trust of which any trustee is a US Person;
- (v) Any agency or branch of a non-US entity located in the United States;
- (vi) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person;
- (vii) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
- (viii) Any partnership or corporation if:
  - (a) Organized or incorporated under the laws of any non-US jurisdiction; and
  - (b) Formed by a US Person principally for the purpose of investing in securities not registered under the Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of Regulation D under the Securities Act) who are not natural persons, estates or trusts.

Notwithstanding the preceding paragraph, **US Person** shall not include:

- (c) Any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States;
- (d) Any estate of which any professional fiduciary acting as executor or administrator is a US Person if:
- (e) An executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate; and
- (f) The estate is governed by non-US law;
- (g) Any trust of which any professional fiduciary acting as trustee is a US Person, if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person;
- (h) An employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country;
- (i) Any agency or branch of a US Person located outside the United States if:
- (j) The agency or branch operates for valid business reasons; and
- (k) The agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and

- (l) The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans.
- (m) An entity excluded or exempted from the definition of **US Person** in reliance on or with reference to interpretations or positions of the US Securities and Exchange Commission or its staff.

#### APPENDIX 4 - LIST OF SUB-DEPOSITARIES APPOINTED BY THE DEPOSITARY

The Depositary's global sub-depositary has appointed the following entities as sub-delegates in each of the markets set forth below.

| Country/Market    | Sub-Custodian   | Depository  |
|-------------------|---|---|
| <b>Albania</b>    | <b>Raiffeisen Bank sh.a.</b><br>Blv. "Bajram Curri" ETC – Kati 14<br>Tirana, Albania<br>LEI: 529900XTU9H3KES1B287   | <b>Bank of Albania</b><br>Sheshi "Skënderbej", No. 1<br>Tirana, Albania   |
| <b>Argentina</b>  | <b>Citibank, N.A.</b><br>Bartolome Mitre 530<br>1036 Buenos Aires, Argentina<br>LEI: E57ODZWZ7FF32TWEFA76   | <b>Caja de Valores S.A.</b> 25 de Mayo 362 –<br>C1002ABH<br>Buenos Aires, Argentina                                   |
| <b>Australia</b>  | <b>The Hongkong and Shanghai Banking Corporation Limited</b><br>HSBC Securities Services<br>Level 3, 10 Smith St.,<br>Parramatta, NSW 2150, Australia<br>LEI: 2HI3YI5320L3RW6NJ957  | <b>Austraclear Limited</b><br>Ground Floor<br>20 Bridge Street<br>Sydney NSW 2000, Australia                          |
| <b>Austria</b>    | <b>Deutsche Bank AG</b><br>(operating through its Frankfurt branch with support from its Vienna branch)<br>Fleischmarkt 1<br>A-1010 Vienna, Austria<br>LEI: 7LTWFZYICNSX8D621K86  | <b>OeKB Central Securities Depository GmbH</b><br>Strauchgasse 3<br>1011 Vienna, Austria                              |
|                   | <b>UniCredit Bank Austria AG</b><br>Global Securities Services Austria<br>Rothschildplatz 1<br>A-1020 Vienna, Austria<br>LEI: D1HEB8VEU6D9M8ZUXG17  |   |
| <b>Bahrain</b>    | <b>HSBC Bank Middle East Limited</b><br>(as delegate of The Hongkong and Shanghai Banking Corporation Limited)<br>1 <sup>st</sup> Floor, Bldg. #2505<br>Road # 2832, Al Seef 428<br>Kingdom of Bahrain<br>LEI: 549300F99IL9YJDWH369 | <b>Bahrain Clear Company</b><br>Bahrain Financial Harbour<br>Harbour Gate (4th Floor)<br>Manama, Kingdom of Bahrain   |
| <b>Bangladesh</b> | <b>Standard Chartered Bank</b><br>Silver Tower, Level 7<br>52 South Gulshan Commercial Area<br>Gulshan 1, Dhaka 1212, Bangladesh<br>LEI: RILFO74KP1CM8P6PCT96   | <b>Bangladesh Bank</b><br>Motijheel, Dhaka-1000<br>Bangladesh   |
|                   |   | <b>Central Depository Bangladesh Limited</b><br>BSRS Bhaban (18th Floor)<br>12 Kawran Bazar<br>Dhaka 1215, Bangladesh |
| <b>Belgium</b>    | <b>Deutsche Bank AG, Netherlands</b><br>(operating through its Amsterdam branch with support from its Brussels branch)<br>De Entree 195<br>1101 HE Amsterdam, Netherlands<br>LEI: 7LTWFZYICNSX8D621K86                              | <b>Euroclear Belgium</b><br>Boulevard du Roi Albert II, 1<br>1210 Brussels, Belgium                                   |
|                   |   | <b>National Bank of Belgium</b><br>Boulevard de Berlaimont 14<br>B-1000 Brussels, Belgium                             |

| Country/Market                       | Sub-Custodian   | Depository   |
|--------------------------------------|---|--|
| Benin                                | <b>via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast</b><br>23, Bld de la République<br>17 BP 1141 Abidjan 17 Côte d'Ivoire<br>LEI: 54930016MQBB2NO5NB47 | <b>Dépositaire Central – Banque de Règlement</b><br>18 Rue Joseph Anoma 01 BP 3802<br>Abidjan 01 Ivory Coast   |
|                                      |   | <b>Banque Centrale des Etats d'Afrique de l'Ouest</b><br>Avenue Abdoulaye FADIGA<br>3108 Dakar, Senegal  |
| Bermuda                              | <b>HSBC Bank Bermuda Limited</b><br>6 Front Street<br>Hamilton, HM06, Bermuda<br>LEI: 0W1U67PTV5WY3WYWKD79  | <b>Bermuda Securities Depository</b><br>3/F Washington Mall<br>Church Street<br>Hamilton, HMFx Bermuda   |
| Federation of Bosnia and Herzegovina | <b>UniCredit Bank d.d.</b><br>Zelenih beretki 24<br>71 000 Sarajevo<br>Federation of Bosnia and Herzegovina<br>LEI: 549300RGT0JMDJZKVG34                                    | <b>Registar vrijednosnih papira u Federaciji Bosne i Hercegovine, d.d.</b><br>Maršala Tita 62/II<br>71 Sarajevo<br>Federation of Bosnia and Herzegovina  |
| Botswana                             | <b>Standard Chartered Bank Botswana Limited</b><br>4th Floor, Standard Chartered House<br>Queens Road<br>The Mall<br>Gaborone, Botswana<br>LEI: 5493007VY27WWF8FF542        | <b>Bank of Botswana</b><br>17938, Khama Crescent<br>Gaborone, Botswana   |
|                                      |   | <b>Central Securities Depository Company of Botswana Ltd.</b><br>4th Floor<br>Fairscape Precinct (BDC building)<br>Plot 70667, Fairgrounds Office Park<br>Gaborone, Botswana                           |
| Brazil                               | <b>Citibank, N.A.</b><br>AV Paulista 1111<br>São Paulo, SP 01311-920 Brazil<br>LEI: E57ODZWZ7FF32TWEFA76  | <b>Brasil, Bolsa, Balcão S.A. (B3) [formerly Central de Custódia e de Liquidação Financeira de Títulos Privados (CETIP)]</b><br>Praça Antonio Prado<br>48 – Centro<br>São Paulo/SP – 01010-901, Brazil |
|                                      |   | <b>Brasil, Bolsa, Balcão S.A. (B3) [formerly BM&amp;F BOVESPA Depository Services]</b><br>Rua XV de Novembro, 275<br>São Paulo/SP - 01013-001, Brazil  |
|                                      |   | <b>Sistema Especial de Liquidação e de Custódia (SELIC)</b><br>Departamento de Operações de Mercado Aberto – BACEN Av.<br>Av. Pres. Vargas<br>730 - 40 andar<br>Rio de Janeiro - RJ 20071-001 Brazil   |
| Bulgaria                             | <b>Citibank Europe plc, Bulgaria Branch</b><br>Serdika Offices, 10th floor<br>48 Sitnyakovo Blvd.<br>1505 Sofia, Bulgaria<br>LEI: N1FBEDJ5J41VKZLO2475                      | <b>Bulgarian National Bank</b><br>1, Knyaz Alexander I Sq.<br>1000 Sofia, Bulgaria<br><br><b>Central Depository AD</b><br>6 Tri Ushi Street, 4th floor<br>1000 Sofia, Bulgaria                         |
|                                      | <b>UniCredit Bulbank AD</b><br>7 Sveta Nedelya Square<br>1000 Sofia, Bulgaria<br>LEI: 549300Z7V2WOFIMUEK50  |  |

| Country/Market             | Sub-Custodian  | Depository  |
|----------------------------|--|---|
| Burkina Faso               | <b>via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast</b><br>23, Bld de la République<br>17 BP 1141 Abidjan 17 Côte d'Ivoire<br>LEI: 54930016MQBB2NO5NB47  | <b>Dépositaire Central – Banque de Règlement</b><br>18 Rue Joseph Anoma 01 BP 3802<br>Abidjan 01 Ivory Coast  |
|                            |  | <b>Banque Centrale des Etats d'Afrique de l'Ouest</b><br>Avenue Abdoulaye FADIGA<br>3108 Dakar, Senegal   |
| Canada                     | <b>State Street Trust Company Canada</b><br>30 Adelaide Street East, Suite 800<br>Toronto, ON Canada M5C 3G6<br>LEI: 549300L71XG2CTQ2V827  | <b>The Canadian Depository for Securities Limited</b><br>85 Richmond Street West<br>Toronto, Ontario M5H 2C9, Canada  |
| Chile                      | <b>Banco de Chile</b><br>Paseo Ahumada 251, Santiago, CL-RM 8320206,<br>Chile<br>LEI: 8B4EZF8IHJC44TT2K84  | <b>Depósito Central de Valores S.A.</b><br>Huérfanos N° 770, Piso 17<br>Santiago, Chile   |
| People's Republic of China | <b>HSBC Bank (China) Company Limited</b><br>(as delegate of The Hongkong and Shanghai Banking Corporation Limited)<br>33 <sup>rd</sup> Floor, HSBC Building, Shanghai IFC<br>8 Century Avenue<br>Pudong, Shanghai, People's Republic of People's Republic of China (200120)<br>LEI: 2CZOJRADNJXBLT55G526 | <b>China Securities Depository and Clearing Corporation Limited, Shanghai Branch</b><br>3 <sup>rd</sup> Floor, China Insurance Building<br>166 East Lujiazui Road<br>New Pudong District<br>Shanghai 200120<br>People's Republic of China |
|                            |  | <b>China Securities Depository and Clearing Corporation Limited, Shenzhen Branch</b><br>22-28/F, Shenzhen Stock Exchange Building<br>2012 Shennan Blvd,<br>Futian District<br>Shenzhen<br>People's Republic of China                      |
|                            |  | <b>China Central Depository and Clearing Co., Ltd.</b><br>No.10, Finance Street<br>Xicheng District<br>Beijing 100033<br>People's Republic of China   |
|                            |  | <b>Shanghai Clearing House</b><br>2 East Beijing Road<br>Shanghai 200002<br>People's Republic of China  |
| China Connect              | <b>Citibank N.A.</b><br>39/F., Champion Tower<br>3 Garden Road<br>Central, Hong Kong<br>LEI: 8KA1PQPA9THGG1BNCT31  | See depositories listed under People's Republic of China.   |

| Country/Market | Sub-Custodian   | Depository   |
|----------------|---|--|
|                | <b>The Hongkong and Shanghai Banking Corporation Limited</b><br>Level 30,<br>HSBC Main Building<br>1 Queen's Road<br>Central, Hong Kong<br>LEI: 2HI3YI5320L3RW6NJ957            |  |
|                | <b>Standard Chartered Bank (Hong Kong) Limited</b><br>15 <sup>th</sup> Floor Standard Chartered Tower<br>388 Kwun Tong Road<br>Kwun Tong, Hong Kong<br>LEI: X5AV1MBDXGRP5UGMX13 |  |
| Colombia       | <b>Cititrust Colombia S.A. Sociedad Fiduciaria</b><br>Carrera 9A, No. 99-02<br>Bogotá DC, Colombia<br>LEI: SSER7O0CV66FF0PRYK94   | <b>Depósito Central de Valores</b><br>Carrera 7 No. 14-78 Second Floor<br>Bogotá, Colombia   |
|                |   | <b>Depósito Centralizado de Valores de Colombia S.A. (DECEVAL)</b><br>Calle 24A # 59 - 42 Torre 3 Oficina 501<br>Bogotá, Colombia                                    |
| Costa Rica     | <b>Banco BCT S.A.</b><br>160 Calle Central<br>Edificio BCT<br>San José, Costa Rica<br>LEI: 25490061PVFNGN0YMO97   | <b>Interclear Central de Valores S.A.</b><br>Parque Empresarial Forum<br>Autopista Próspero Fernández<br>Edificio Bolsa Nacional de Valores<br>Santa Ana, Costa Rica |
| Croatia        | <b>Privredna Banka Zagreb d.d.</b><br>Custody Department<br>Radnička cesta 50<br>10000 Zagreb, Croatia<br>LEI: 549300ZHFZ4CSK7VS460   | <b>Središnje klirinško depozitarno društvo d.d.</b><br>Heinzlova 62/a<br>10000 Zagreb, Croatia   |
|                | <b>Zagrebacka Banka d.d.</b><br>Savska 60<br>10000 Zagreb, Croatia<br>LEI: PRNXTNXHBI0TSY1V8P17   |  |
| Cyprus         | <b>BNP Paribas Securities Services, S.C.A., Greece</b><br>(operating through its Athens branch)<br>2 Lampsakou Str.<br>115 28 Athens, Greece<br>LEI: 549300WCG70D06XZS54        | <b>Central Depository and Central Registry</b><br>Kambou Street, 2nd floor<br>Strovolos, PO Box 25427<br>1309 Nicosia, Cyprus  |
| Czech Republic | <b>Československá obchodní banka, a.s.</b><br>Radlická 333/150<br>150 57 Prague 5, Czech Republic<br>LEI: Q5BP2UEQ48R75BOTCB92  | <b>Centrální depozitář cenných papírů, a.s.</b><br>Rybná 14<br>110 05 Prague 1, Czech Republic   |
|                | <b>UniCredit Bank Czech Republic and Slovakia, a.s.</b><br>BB Centrum – FILADELFIE<br>Želetavská 1525/1<br>140 92 Praha 4 - Michle, Czech Republic<br>LEI: KR6LSKV3BTSJRD41IF75 | <b>Česká národní banka</b><br>Na Příkopě 28<br>115 03 Praha 1, Czech Republic  |

| Country/Market      | Sub-Custodian  | Depository   |
|---------------------|--|--|
| Denmark             | <b>Nordea Bank Abp, Finland</b><br>(operating through its branch, Nordea Danmark, Filial af Nordea Bank Abp, Finland)<br>Strandgade 3<br><b>0900</b> Copenhagen C, Denmark<br>LEI: 529900ODI3047E2LIV03    | <b>VP Securities A/S</b><br>Weidekampsgade 14<br>P.O. Box 4040<br><b>DK-2300</b> Copenhagen S, Denmark         |
|                     | <b>Skandinaviska Enskilda Banken AB (publ), Sweden</b><br>(operating through its Copenhagen branch)<br>Bernstorffsgade 50<br><b>1577</b> Copenhagen, Denmark<br>LEI: F3JS33DEI6XQ4ZBPTN86                  |  |
| Egypt               | <b>Citibank, N.A.</b><br>Boomerang Building – Plot 48 – AlSalam Axis Street<br>First District – 5th Settlement<br><b>11835</b> Cairo, Egypt<br>LEI: E57ODZWZ7FF32TWEFA76                                   | <b>Misr for Central Clearing, Depository and Registry S.A.E.</b><br>70 El Gamhouria Street<br>Cairo, Egypt     |
|                     |  | <b>Central Bank of Egypt</b><br>54 Elgomhoreya Street<br><b>11511</b> Cairo, Egypt                             |
| Estonia             | <b>AS SEB Pank</b><br>Tornimäe 2<br><b>15010</b> Tallinn, Estonia<br>LEI: 549300ND1MQ8SNNYMJ22   | <b>Nasdaq CSD SE</b><br>Tartu mnt 2<br><b>10145</b> Tallinn, Estonia   |
| Eswatini            | <b>Standard Bank Eswatini Limited</b><br>Standard House, Swazi Plaza<br>Mbabane, Eswatini <b>H101</b><br>LEI: 2549000IV408A4RRND84   | <b>Central Bank of Eswatini</b><br>Umntsholi Building<br>Mahlokohla Street<br>Mbabane, Eswatini <b>H100</b>    |
| Finland             | <b>Skandinaviska Enskilda Banken AB (publ), Sweden</b><br>(operating through its Helsinki branch)<br>Securities Services<br>Box 630<br><b>SF-00101</b> Helsinki, Finland<br>LEI: F3JS33DEI6XQ4ZBPTN86      | <b>Euroclear Finland Ltd.</b><br>Urho Kekkosen katu 5C<br><b>00100</b> Helsinki, Finland                       |
| France              | <b>Deutsche Bank AG, Netherlands</b><br>(operating through its Amsterdam branch with support from its Paris branch)<br>De Entree 195<br><b>1101 HE</b> Amsterdam, Netherlands<br>LEI: 7LTWFZYICNSX8D621K86 | <b>Euroclear France</b><br>66 Rue de la Victoire<br><b>F-75009</b> Paris France                                |
| Republic of Georgia | <b>JSC Bank of Georgia</b><br>29a Gagarini Str.<br>Tbilisi <b>0160</b> , Georgia<br>LEI: 549300RPLD8RXL49Z691  | <b>Georgian Central Securities Depository</b><br>74a Chavchavadze Avenue<br>Tbilisi <b>0162</b> , Georgia      |
|                     |  | <b>National Bank of Georgia</b><br>Sanapiro Street N2, 0114<br>Tbilisi <b>0105</b> , Georgia                   |
| Germany             | <b>State Street Bank International GmbH</b><br>Brienner Strasse 59<br><b>80333</b> Munich, Germany<br>LEI: ZMHGNT7ZPKZ3UFZ8EO46  | <b>Clearstream Banking AG, Frankfurt</b><br>Neue Boersenstrasse 1<br><b>D-60485</b> Frankfurt am Main, Germany |

| Country/Market       | Sub-Custodian  | Depository   |
|----------------------|--|--|
|                      | <b>Deutsche Bank AG</b><br>Alfred-Herrhausen-Allee 16-24<br><b>D-65760</b> Eschborn, Germany<br>LEI: 7LTWFZYICNSX8D621K86  |  |
| <b>Ghana</b>         | <b>Standard Chartered Bank Ghana Limited</b><br>P. O. Box 768<br>1st Floor<br>High Street Building<br>Accra, Ghana<br>LEI: 549300WFGKTC3MGDCX95                                    | <b>Central Securities Depository (Ghana) Limited</b><br>Fourth Floor Cedi House<br>PMB CT 465<br>Cantonments, Accra, Ghana                                     |
| <b>Greece</b>        | <b>BNP Paribas Securities Services, S.C.A.</b><br>2 Lampsakou Str.<br><b>115 28</b> Athens, Greece<br>LEI: 549300WCGB70D06XZS54  | <b>Bank of Greece, System for Monitoring Transactions in Securities in Book-Entry Form</b><br>21E. Venizelou Avenue<br><b>102 50</b> Athens, Greece            |
|                      |  | <b>Hellenic Central Securities Depository</b><br>110 Athinon Ave.<br><b>104 42</b> Athens, Greece  |
| <b>Guinea-Bissau</b> | <b>via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast</b><br>23, Bld de la République<br>17 BP 1141 Abidjan <b>17</b> Côte d'Ivoire<br>LEI: 54930016MQBB2NO5NB47 | <b>Dépositaire Central – Banque de Règlement</b><br>18 Rue Joseph Anoma 01 BP 3802<br>Abidjan <b>01</b> Ivory Coast  |
|                      |  | <b>Banque Centrale des Etats d'Afrique de l'Ouest</b><br>Avenue Abdoulaye FADIGA<br><b>3108</b> Dakar, Senegal   |
| <b>Hong Kong</b>     | <b>The Hongkong and Shanghai Banking Corporation Limited</b><br>HSBC Main Building, 1 Queen's Road Central, Central., Hong Kong<br>LEI: 2HI3YI5320L3RW6NJ957                       | <b>Central Moneymarkets Unit</b><br>55th floor, Two International Finance Center<br>8 Finance Street, Central<br>Hong Kong                                     |
|                      |  | <b>Hong Kong Securities Clearing Company Limited</b><br>12 <sup>th</sup> floor, One International Finance Center<br>1 Harbor View Street, Central<br>Hong Kong |
| <b>Hungary</b>       | <b>Citibank Europe plc Magyarországi Fióktelepe</b><br>7 Szabadság tér, Bank Center<br>Budapest, <b>H-1051</b> Hungary<br>LEI: N1FBEDJ5J41VKZLO2475                                | <b>KELER Központi Értéktár Zrt.</b><br>R70 Office Complex<br>Floors IV-V<br>Rákóczi út 70-72<br><b>1074</b> Budapest, Hungary                                  |
|                      | <b>UniCredit Bank Hungary Zrt.</b><br>6th Floor<br>Szabadság tér 5-6<br><b>H-1054</b> Budapest, Hungary<br>LEI: Y28RT6GGYJ696PMW8T44   |  |
| <b>Iceland</b>       | <b>Landsbankinn hf.</b><br>Austurstræti 11<br><b>155</b> Reykjavik, Iceland<br>LEI: 549300TLZPT6JELDWM92   | <b>Nasdaq verðbréfamiðstöð hf.</b><br>Laugavegur 182<br><b>105</b> Reykjavik, Iceland  |



| Country/Market | Sub-Custodian  | Depository   |
|----------------|--|--|
| India          | <b>Deutsche Bank AG</b><br>Block B1, 4th Floor, Nirlon Knowledge Park<br>Off Western Express Highway<br>Goregaon (E)<br>Mumbai <b>400 063</b> , India<br>LEI: 7LTWFZYICNSX8D621K86 | <b>Central Depository Services (India) Limited</b><br>Phiroze Jeejeebhoy Towers<br>28 floor Dalal Street<br>Mumbai <b>400 023</b> , India                                    |
|                |  | <b>National Securities Depository Limited</b><br>Trade World 4th floor<br>Kamala City, Senapati Bapat Marg<br>Lower Parel Mumbai <b>400 013</b> , India                      |
|                |  | <b>Reserve Bank of India</b><br>Central Office Building, 18th Floor<br>Shahid Bhagat Singh Road<br>Mumbai <b>400 001</b> , India   |
| Indonesia      | <b>Deutsche Bank AG</b><br>Deutsche Bank Building, 4 <sup>th</sup> floor<br>Jl. Imam Bonjol, No. 80<br>Jakarta <b>10310</b> , Indonesia<br>LEI: 7LTWFZYICNSX8D621K86               | <b>Bank Indonesia</b><br>JL MH Thamrin 2<br>Jakarta <b>10110</b> , Indonesia   |
|                |  | <b>PT Kustodian Sentral Efek Indonesia</b><br>5th Floor, Jakarta Stock Exchange<br>Building Tower 1<br>Jln. Jenderal Sudirman Kav. 52-53<br>Jakarta <b>12190</b> , Indonesia |
| Ireland        | <b>State Street Bank and Trust Company, United Kingdom branch</b><br>Quartermile 3<br>10 Nightingale Way<br>Edinburgh <b>EH3 9EG</b> , Scotland<br>LEI: 213800YAZLPV26WFM449       | <b>Euroclear UK &amp; Ireland Limited</b><br>33 Cannon St<br>London <b>EC4M 5SB</b> , England  |
|                |  | <b>Euroclear Bank S.A./N.V.</b><br>1 Boulevard du Roi Albert II<br><b>B-1210</b> Brussels, Belgium   |
| Israel         | <b>Bank Hapoalim B.M.</b><br>50 Rothschild Boulevard<br>Tel Aviv, Israel <b>61000</b><br>LEI: B6ARUI4946ST4S7WOU88   | <b>Tel Aviv Stock Exchange Clearing House Ltd. (TASE Clearing House)</b><br>2 Ahuzat Bayit St.<br>Tel Aviv <b>6525216</b> Israel   |
| Italy          | <b>Deutsche Bank S.p.A.</b><br>Investor Services<br>Via Turati 27 – 3rd Floor<br><b>20121</b> Milan, Italy<br>LEI: 529900SS7ZWCX82U3W60  | <b>Monte Titoli S.p.A.</b><br>Piazza degli Affari 6<br><b>20123</b> Milan, Italy   |
| Ivory Coast    | <b>Standard Chartered Bank Côte d'Ivoire S.A.</b><br>23, Bld de la République<br>17 BP 1141 Abidjan <b>17</b> Côte d'Ivoire<br>LEI: 54930016MQBB2NO5NB47                           | <b>Dépositaire Central – Banque de Règlement</b><br>18 Rue Joseph Anoma 01 BP 3802<br>Abidjan <b>01</b> Ivory Coast  |
|                |  | <b>Banque Centrale des Etats d'Afrique de l'Ouest</b><br>Avenue Abdoulaye FADIGA<br><b>3108</b> Dakar, Senegal   |
| Japan          | <b>Mizuho Bank, Limited</b><br>Shinagawa Intercity Tower A<br>2-15-14, Konan, Minato-ku<br>Tokyo <b>108-6009</b> , Japan<br>LEI: RB0PEZSDGCO3JS6CEU02                              | <b>Bank of Japan – Financial Network System</b><br>2-1-1 Hongoku-cho<br>Nihombashi Chuo-ku<br>Tokyo <b>103-8660</b> , Japan  |

| Country/Market           | Sub-Custodian   | Depository   |
|--------------------------|---|--|
|                          | <b>The Hongkong and Shanghai Banking Corporation Limited</b><br>HSBC Building<br>11-1 Nihonbashi 3-chome, Chuo-ku<br>Tokyo <b>1030027</b> , Japan<br>LEI: 2HI3YI5320L3RW6NJ957  | <b>Japan Securities Depository Center (JASDEC) Incorporated</b><br>5 <sup>th</sup> Floor Daini Shoken Kaikan Bld.<br>2-1-1 Nihombashi Kayaba-Cho<br>Chuo-ku<br>Tokyo <b>103-0025</b> Japan |
| <b>Jordan</b>            | <b>Standard Chartered Bank</b><br>Shmeissani Branch<br>Al-Thaqafa Street, Building # 2<br>P.O. Box 926190<br>Amman <b>11110</b> , Jordan<br>LEI: RILFO74KP1CM8P6PCT96   | <b>Central Bank of Jordan</b><br>Al-Salt Street<br>P.O. Box (37)<br>Amman <b>11118</b> , Jordan  |
|                          |   | <b>Securities Depository Center</b><br>Capital Market Building<br>Al - Mansour Bin Abi Amer Street<br>PO Box 212465<br>Amman <b>11121</b> , Jordan   |
| <b>Kazakhstan</b>        | <b>JSC Citibank Kazakhstan</b><br>Park Palace, Building A,<br>41 Kazibek Bi street,<br>Almaty <b>A25T0A1</b> , Kazakhstan<br>LEI: 95XXGORQK31JZP82OG22  | <b>Central Securities Depository</b><br>28, microdistrict Samal-1<br>Almaty, <b>050051</b> , Kazakhstan  |
| <b>Kenya</b>             | <b>Standard Chartered Bank Kenya Limited Custody Services</b><br><b>Standard Chartered @ Chiromo, Level 5</b><br><b>48 Westlands Road</b><br><b>P.O. Box 40984 – 00100 GPO</b><br><b>Nairobi, Kenya</b><br>LEI: 549300RBHWW5EJIRG629                                      | <b>Central Bank of Kenya</b><br><b>Haile Selassie Avenue</b><br><b>P.O. Box 60000</b><br><b>00200 Nairobi, Kenya</b>   |
|                          |   | <b>Central Depository and Settlement Corporation Limited</b><br>10th Floor Nation Centre, Kimathi St.<br>P.O. Box 3464<br><b>00100 GPO Nairobi, Kenya</b>                                  |
| <b>Republic of Korea</b> | <b>Deutsche Bank AG</b><br>18th Fl., Young-Poong Building<br>41 Cheonggyecheon-ro<br>Jongro-ku, Seoul <b>03188</b> , Korea<br>LEI: 7LTFWZYICNSX8D621K86   | <b>Korea Securities Depository</b><br>BIFC, 40. Munhyeongeumyung-ro,<br>Nam-gu,<br>Busan <b>48400</b> , Korea  |
|                          | <b>The Hongkong and Shanghai Banking Corporation Limited</b><br>5F<br>HSBC Building #37<br>Chilpae-ro<br>Jung-gu, Seoul <b>04511</b> , Korea<br>LEI: 2HI3YI5320L3RW6NJ957   |  |
| <b>Kuwait</b>            | <b>HSBC Bank Middle East Limited</b><br>(as delegate of The Hongkong and Shanghai Banking Corporation Limited)<br>Kuwait City, Sharq Area<br>Abdulaziz Al Sager Street<br>Al Hamra Tower, 37F<br>P. O. Box 1683, Safat <b>13017</b> , Kuwait<br>LEI: 549300F99IL9YJDWH369 | <b>Kuwait Clearing Company KSC</b><br>Kuwait Stock Exchange Building, Mubarak Al Kabeer St<br>P.O. Box 22077<br>Safat, <b>13081</b> Kuwait   |
| <b>Latvia</b>            | <b>AS SEB banka</b><br>Unicentrs, Valdlauči<br><b>LV-1076</b> Kekavas pag., Rigas raj., Latvia<br>LEI: 549300YW95G1VBBGGV07   | <b>Nasdaq CSD SE</b><br>Valnu iela 1<br>Riga <b>LV 1050</b> , Latvia   |

| Country/Market | Sub-Custodian  | Depository   |
|----------------|--|--|
| Lithuania      | <b>AB SEB bankas</b><br>Gedimino av. 12<br>LT 2600 Vilnius, Lithuania<br>LEI: 549300SBPFE9JX7N8J82   | <b>Nasdaq CSD SE</b><br>Konstitucijos avenue 29<br>08105 Vilnius, Lithuania  |
| Luxembourg     | <b>Via the international central securities depository, Clearstream Banking S.A., Luxembourg</b><br>42, avenue J.F. Kennedy, Luxembourg, LU-LU L-1855, Luxembourg<br>LEI: 549300OL514RA0SXJJ44 | <b>Clearstream Banking S.A., Luxembourg</b><br>42, avenue J.F. Kennedy, Luxembourg, LU-LU L-1855, Luxembourg   |
| Malawi         | <b>Standard Bank PLC</b><br>Kaomba Centre<br>Cnr. Victoria Avenue & Sir Glyn Jones Road<br>Blantyre, Malawi<br>LEI: 2549004FJV2K9P9UCU04   | <b>Reserve Bank of Malawi</b><br>Convention Drive City Centre<br>Lilongwe 3, Malawi  |
| Malaysia       | <b>Deutsche Bank (Malaysia) Berhad</b><br>Domestic Custody Services<br>Level 20, Menara IMC<br>8 Jalan Sultan Ismail<br>50250 Kuala Lumpur, Malaysia<br>LEI: 7LTWFZYICNSX8D621K86              | <b>Bank Negara Malaysia</b><br>Jalan Dato' Onn<br>Kuala Lumpur 50480, Malaysia<br><br><b>Bursa Malaysia Depository Sdn. Bhd</b><br>10 <sup>th</sup> Floor, Exchange Square<br>Bukit Kewangan<br>Kuala Lumpur 50200, Malaysia |
|                | <b>Standard Chartered Bank Malaysia Berhad</b><br>Menara Standard Chartered<br>30 Jalan Sultan Ismail<br>50250 Kuala Lumpur, Malaysia<br>LEI: 549300JTBG2QBI8KD48                              |  |
| Mali           | <b>via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast</b><br>23, Bld de la République<br>17 BP 1141 Abidjan 17 Côte d'Ivoire<br>LEI: 54930016MQBB2NO5NB47                    | <b>Dépositaire Central – Banque de Règlement</b><br>18 Rue Joseph Anoma 01 BP 3802<br>Abidjan 01 Ivory Coast   |
|                |  | <b>Banque Centrale des Etats d'Afrique de l'Ouest</b><br>Avenue Abdoulaye FADIGA<br>3108 Dakar, Senegal  |
| Mauritius      | <b>The Hongkong and Shanghai Banking Corporation Limited</b><br>6F HSBC Centre<br>18 CyberCity<br>Ebene, Mauritius<br>LEI: 2HI3YI5320L3RW6NJ957  | <b>Bank of Mauritius</b><br>Sir William Newton Street<br>P.O. Box 29<br>Port Louis, Mauritius  |
|                |  | <b>Central Depository and Settlement Co. Limited</b><br>4 <sup>th</sup> Floor One Cathedral Square Bld.<br>16 Jules Koenig Street<br>Port Louis, Mauritius   |
| Mexico         | <b>Banco Nacional de México, S.A.</b><br>3er piso, Torre Norte<br>Act. Roberto Medellín No. 800<br>Col. Santa Fe<br>Mexico, DF 01219<br>LEI: 2SFFM4FUIE05S37W5U55                              | <b>S.D. Indeval, S.A. de C.V.</b><br>Paseo de la Reforma 255 Floors 2-3<br>Cuauhtemoc Mexico, DF 06500   |

| Country/Market     | Sub-Custodian   | Depository  |
|--------------------|---|---|
| <b>Morocco</b>     | <b>Citibank Maghreb S.A.</b><br>Zénith Millénium Immeuble1<br>Sidi Maârouf – B.P. 40<br>Casablanca <b>20190</b> , Morocco<br>LEI: 5493003FVWLMBFTISI11  | <b>Maroclear</b><br>Route d'El Jadida<br>18 Cité Laïa<br><b>20 200</b> Casablanca, Morocco  |
| <b>Namibia</b>     | <b>Standard Bank Namibia Limited</b><br>Standard Bank Center<br>Cnr. Werner List St. and Post St. Mall<br>2nd Floor<br>Windhoek, Namibia<br>LEI: 254900K6TJFDYKSQWV49                             | <b>Bank of Namibia</b><br>71 Robert Mugabe Avenue<br>Windhoek, Namibia  |
| <b>Netherlands</b> | <b>Deutsche Bank AG</b><br>De Entree 195<br><b>1101 HE</b> Amsterdam, Netherlands<br>LEI: 7LTWFZYICNSX8D621K86  | <b>Euroclear Nederland</b><br>Herengracht 436-438<br><b>1017 BZ</b> Amsterdam, Netherlands  |
| <b>New Zealand</b> | <b>The Hongkong and Shanghai Banking Corporation Limited</b><br>HSBC House<br>Level 7, 1 Queen St.<br>Auckland <b>1010</b> , New Zealand<br>LEI: 2HI3YI5320L3RW6NJ957                             | <b>New Zealand Central Securities Depository Limited</b><br>C/O Reserve Bank of New Zealand<br>2 The Terrace<br>P.O. Box 2498<br>Wellington, New Zealand          |
| <b>Niger</b>       | <b>via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast</b><br>23, Bld de la République<br>17 BP 1141 Abidjan <b>17</b> Côte d'Ivoire<br>LEI: 54930016MQBB2NO5NB47                | <b>Dépositaire Central – Banque de Règlement</b><br>18 Rue Joseph Anoma 01 BP 3802<br>Abidjan <b>01</b> Ivory Coast   |
|                    |   | <b>Banque Centrale des Etats d'Afrique de l'Ouest</b><br>Avenue Abdoulaye FADIGA<br><b>3108</b> Dakar, Senegal  |
| <b>Nigeria</b>     | <b>Stanbic IBTC Bank Plc.</b><br>Plot 1712<br>Idejo St<br>Victoria Island,<br>Lagos <b>101007</b> , Nigeria<br>LEI: 549300NIVXF92ZIOVW61  | <b>Central Bank of Nigeria</b><br>Plot 33, Abubakar Tafawa Balewa Way<br>Central Business District<br>Cadastral Zone<br>Abuja, Federal Capital Territory, Nigeria |
|                    |   | <b>Central Securities Clearing System Limited</b><br>2/4 Customs Street, Stock Exchange House, (14 <sup>th</sup> Floor) P.O. Box 3168<br>Marina, Lagos, Nigeria   |
| <b>Norway</b>      | <b>Nordea Bank Abp, Finland</b> (operating through its branch, Nordea Bank Abp, filial i Norge)<br>Essendropsgate 7<br><b>0368</b> Oslo, Norway<br>LEI: 529900ODI3047E2LIV03                      | <b>Verdipapirsentralen ASA</b><br>Fred. Olsens gate 1<br><b>0152</b> Oslo, Norway   |
|                    | <b>Skandinaviska Enskilda Banken AB (publ), Sweden</b> (operating through its Oslo branch)<br>P.O. Box 1843 Vika<br>Filipstad Brygge 1<br><b>N-0123</b> Oslo, Norway<br>LEI: F3JS33DEI6XQ4ZBPTN86 |   |

| Country/Market | Sub-Custodian  | Depository   |
|----------------|--|--|
| Oman           | <b>HSBC Bank Oman S.A.O.G.</b><br>(as delegate of The Hongkong and Shanghai Banking Corporation Limited)<br>2 <sup>nd</sup> Floor Al Khuwair<br>PO Box 1727 <b>PC 111</b><br>Seeb, Oman<br>LEI: 213800YRPSOSH9OA2V29   | <b>Muscat Clearing &amp; Depository Company S.A.O.G.</b><br>P.O. Box 952<br>Ruwi, Oman   |
| Pakistan       | <b>Deutsche Bank AG</b><br>Unicentre – Unitowers<br>I.I. Chundrigar Road<br>P.O. Box 4925<br><br>Karachi - <b>74000</b> , Pakistan<br>LEI: 7LTWFZYICNSX8D621K86  | <b>Central Depository Company of Pakistan Limited</b><br>CDC House, 99-B, Shahra-e-Faisal<br>Karach <b>74400</b> , Pakistan  |
|                |  | <b>State Bank of Pakistan</b><br><b>Central Directorate</b><br>I.I. Chundrigar Road<br><b>Karachi 74000</b> , Pakistan   |
| Panama         | <b>Citibank, N.A.</b><br>Boulevard Punta Pacifica<br>Torre de las Americas<br>Apartado<br>Panama City, Panama <b>0834-00555</b><br>LEI: E570DZWZ7FF32TWEFA76   | <b>Central Latinoamericana de Valores, S.A. (LatinClear)</b><br>Federico Boyd Avenue and 49th Street<br>Bolsa de Valores de Panamá Building<br>Lower Level<br>Panama City, Panama  |
| Peru           | <b>Citibank del Perú, S.A.</b><br>Canaval y Moreyra 480<br>3 <sup>rd</sup> Floor,<br>San Isidro, Lima <b>27</b> , Peru<br>LEI: MYTK5NHHP1G8TVFGT193  | <b>CAVALI S.A. Institución de Compensación y Liquidación de Valores</b><br>Avenida Santo Toribio 143<br>Oficina 501<br>San Isidro, Lima <b>27</b> , Peru   |
| Philippines    | <b>Deutsche Bank AG</b><br>19 <sup>th</sup> Floor, Net Quad Center<br>31 <sup>st</sup> Street corner 4 <sup>th</sup> Avenue<br>E-Square Zone, Crescent Park West<br>Bonifacio Global City<br><b>1634</b> Taguig City, Philippines<br>LEI: 7LTWFZYICNSX8D621K86 | <b>Philippine Depository &amp; Trust Corporation</b><br>Ground Floor<br>Makati Stock Exchange Building<br>6766 Ayala Avenue<br>Makati City <b>1226</b> , Philippines   |
|                |  | <b>National Registry of Scripless Securities (nROSS) of the Bureau of the Treasury</b><br>Bureau of Treasury<br>Ayuntamiento Building<br>Cabildo Street Corner A. Soriano Avenue<br>Intramuros<br>Manila <b>1002</b> , Philippines |
| Poland         | <b>Bank Handlowy w Warszawie S.A.</b><br>ul. Senatorska 16<br><b>00-293</b> Warsaw, Poland<br>LEI: XLEZHWWOI4HFQDGL4793  | <b>Rejestr Papierów Wartościowych</b><br>Swietokrzyska 11-21<br>Warsaw <b>00950</b> , Poland<br><br><b>Krajowy Depozyt Papierów Wartościowych, S.A.</b><br>4 Książęca Street<br><b>00-498</b> Warsaw, Poland                       |
| Portugal       | <b>Deutsche Bank AG, Netherlands</b> (operating through its Amsterdam branch with support from its Lisbon branch)<br>De Entree 195<br><b>1101 HE</b> Amsterdam, Netherlands<br>LEI: 7LTWFZYICNSX8D621K86   | <b>INTERBOLSA - Sociedad Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A.</b><br>Avenida de Boavista #3433<br><b>4100 – 138</b> Porto, Portugal  |

| Country/Market      | Sub-Custodian   | Depository  |
|---------------------|---|---|
| <b>Qatar</b>        | <b>HSBC Bank Middle East Limited</b><br>(as delegate of The Hongkong and Shanghai Banking Corporation Limited)<br>2 FI Ali Bin Ali Tower<br>Building no.: 150<br>Airport Road<br>Doha, Qatar<br>LEI: 549300F99IL9YJDWH369     | <b>Qatar Central Securities Depository</b><br>Al-Emadi Building<br>C Ring Road<br>Doha, Qatar   |
| <b>Romania</b>      | <b>Citibank Europe plc, Dublin – Romania Branch</b><br>8, Iancu de Hunedoara Boulevard<br><b>712042</b> , Bucharest Sector 1, Romania<br>LEI: N1FBEDJ5J41VKZLO2475  | <b>National Bank of Romania</b><br>25 Lipscani Street<br>Bucharest <b>3, 030031</b> Romania   |
|                     |   | <b>S.C. Depozitarul Central S.A.</b><br>34-36 Carol I Boulevard<br>Floors 3, 8 and 9<br><b>020922</b> , Bucharest 2, Romania                  |
| <b>Russia</b>       | <b>AO Citibank</b><br>8-10 Gasheka Street, Building 1<br><b>125047</b> Moscow, Russia<br>LEI: CHSQDSVI1UI96Y2SW097  | <b>National Settlement Depository</b><br>Building 8, 1/13 Sredny Kislovsky Pereulok<br>Moscow <b>125009</b> , Russia                          |
| <b>Saudi Arabia</b> | <b>HSBC Saudi Arabia</b><br>(as delegate of The Hongkong and Shanghai Banking Corporation Limited)<br>HSBC Head Office<br>7267 Olaya - Al Murooj<br>Riyadh <b>12283-2255</b> Kingdom of Saudi Arabia<br>LEI: none             | <b>Securities Depository Center Company</b><br>6897 King Fahd Road<br>Al Ulaya, Unit Number: 11,<br>Riyadh <b>12211 - 3388</b> , Saudi Arabia |
|                     | <b>Saudi British Bank</b><br>(as delegate of The Hongkong and Shanghai Banking Corporation Limited)<br>Prince Abdulaziz Bin Mossaad Bin Jalawi Street<br>(Dabaab)<br>Riyadh <b>11413</b> Kingdom of Saudi Arabia<br>LEI: none |   |
| <b>Senegal</b>      | <b>via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast</b><br>23, Bld de la République<br>17 BP 1141 Abidjan <b>17</b> Côte d'Ivoire<br>LEI: 54930016MQBB2NO5NB47  | <b>Dépositaire Central – Banque de Règlement</b><br>18 Rue Joseph Anoma 01 BP 3802<br>Abidjan <b>01</b> Ivory Coast                           |
|                     |   | <b>Banque Centrale des Etats d'Afrique de l'Ouest</b><br>Avenue Abdoulaye FADIGA<br><b>3108</b> Dakar, Senegal                                |
| <b>Serbia</b>       | <b>UniCredit Bank Serbia JSC</b><br>Jurija Gagarina 12<br><b>11070</b> Belgrade, Serbia<br>LEI: 52990001O0THU00TYK59  | <b>Central Securities Depository and Clearinghouse</b><br>Trg Republike 5<br><b>11000</b> Belgrade, Serbia                                    |

| Country/Market     | Sub-Custodian  | Depository   |
|--------------------|--|--|
| Singapore          | <b>Citibank N.A.</b><br>3 Changi Business Park Crescent<br>#07-00, Singapore <b>486026</b><br>LEI: E57ODZWZ7FF32TWEFA76  | <b>Monetary Authority of Singapore</b><br>Financial Sector Promotion<br>10 Shenton Way MAS Building<br>Singapore <b>079117</b><br><br><b>The Central Depository (Pte.) Limited</b><br>9 North Buona Vista Drive<br>#01-19/20 The Metropolis<br>Singapore <b>138588</b> |
| Slovak Republic    | <b>UniCredit Bank Czech Republic and Slovakia, a.s.</b><br>Šancová 1/A<br><b>813 33</b> Bratislava, Slovak Republic<br>LEI: KR6LSKV3BTSJRD41IF75   | <b>Centrálny depozitár cenných papierov SR, a.s.</b><br>ul. 29 augusta 1/A<br><b>814 80</b> Bratislava, Slovak Republic  |
| Slovenia           | <b>UniCredit Banka Slovenija d.d.</b><br>Šmartinska 140<br><b>SI-1000</b> Ljubljana, Slovenia<br>LEI: 549300O2UN9JLME31F08   | <b>KDD – Centralna klirinško depotna družba d.d.</b><br>Tivolska cesta 48<br><b>1000</b> Ljubljana, Slovenia   |
| South Africa       | <b>FirstRand Bank Limited</b><br>Mezzanine Floor<br>3 First Place Bank City<br>Corner Simmonds & Jeppe Sts.<br>Johannesburg <b>2001</b><br>Republic of South Africa<br>LEI: ZAYQDKTCATIXF9OQY690<br><br><b>Standard Bank of South Africa Limited</b><br>Standard Bank Centre<br>6 Simmonds Street<br>Johannesburg <b>2000</b><br>Republic of South Africa<br>LEI: QFC8ZCW3Q5PRXU1XTM60 | <b>Strate (Pty) Ltd.</b><br>One Exchange Square<br>2 Gwen Lane Sandon <b>2196</b><br>Republic of South Africa  |
| Spain              | <b>Deutsche Bank S.A.E.</b><br>Calle de Rosario Pino 14-16,<br>Planta 1<br><b>28020</b> Madrid, Spain<br>LEI: 529900SICIK5OVMVY186   | <b>IBERCLEAR</b><br>Plaza de la Lealtad, 1<br><b>28014</b> Madrid, Spain   |
| Sri Lanka          | <b>The Hongkong and Shanghai Banking Corporation Limited</b><br>24, Sir Baron Jayatilake Mawatha<br>Colombo <b>01</b> , Sri Lanka<br>LEI: 2HI3YI5320L3RW6NJ957   | <b>Central Bank of Sri Lanka</b><br>P.O. Box 590<br>30, Janadhipathi Mawatha<br>Colombo <b>01</b> , Sri Lanka<br><br><b>Central Depository System (Pvt) Limited</b><br>04-01 West Block<br>World Trade Centre<br>Echelon Square<br>Colombo <b>01</b> , Sri Lanka       |
| Republic of Srpska | <b>UniCredit Bank d.d.</b><br>Zelenih beretki 24<br><b>71 000</b> Sarajevo<br>Federation of Bosnia and Herzegovina<br>LEI: 549300RGT0JMDJZKVG34  | <b>Central Registry of Securities in the Republic of Srpska JSC</b><br>Bana Milosavljevića 6<br><b>78</b> Banja Luka, Republic of Srpska   |

| Country/Market  | Sub-Custodian  | Depository   |
|-----------------|--|--|
| Sweden          | <b>Nordea Bank Abp, Finland</b> (operating through its branch, Nordea Bank Abp, filial i Sverige)<br>Smålandsgatan 17<br><b>105 71</b> Stockholm, Sweden<br>LEI: 529900ODI3047E2LIV03                                  | <b>Euroclear Sweden AB</b><br>Klarabergsviadukten 63<br><b>111 64</b> Stockholm, Sweden  |
|                 | <b>Skandinaviska Enskilda Banken AB (publ)</b><br>Sergels Torg 2<br><b>SE-106 40</b> Stockholm, Sweden<br>LEI: F3JS33DEI6XQ4ZBPTN86  |  |
| Switzerland     | <b>Credit Suisse (Switzerland) Limited</b><br>Uetlibergstrasse 231<br><b>8070</b> Zurich, Switzerland<br>LEI: 549300CWR0W0BCS9Q144   | <b>SIX SIS AG</b><br>Pfingstweidstrasse 110<br><b>CH-8005</b> Zurich, Switzerland  |
|                 | <b>UBS Switzerland AG</b><br>Max-Högger-Strasse 80-82<br><b>CH-8048</b> Zurich-Alstetten, Switzerland<br>LEI: 549300WOIFUSNYH0FL22   |  |
| Taiwan - R.O.C. | <b>Deutsche Bank AG</b><br>296 Ren-Ai Road<br>Taipei <b>106</b> Taiwan, Republic of China<br>LEI: 7LTWFZYICNSX8D621K86   | <b>Central Bank of the Republic of China (Taiwan)</b><br>2, Roosevelt Road, Section 1<br>Taipei, <b>10066</b> Taiwan, Republic of China<br><br><b>Taiwan Depository and Clearing Corporation</b><br>11F, 363 Fushin N. Rd<br>Taipei, Taiwan, Republic of China |
|                 | <b>Standard Chartered Bank (Taiwan) Limited</b><br>168 Tun Hwa North Road<br>Taipei <b>105</b> , Taiwan, Republic of China<br>LEI: 549300QJEO1B92LSHZ06  |  |
| Tanzania        | <b>Standard Chartered Bank (Tanzania) Limited</b><br>1 Floor, International House<br>Corner Shaaban Robert St and Garden Ave<br>PO Box 9011<br>Dar es Salaam, Tanzania<br>LEI: 549300RLNUU3GJS6MK84                    | <b>CSD &amp; Registry Company Limited</b><br>14th floor Golden Jubilee towers<br>Ohio Street<br>Dar es Salaam, Tanzania  |
| Thailand        | <b>Standard Chartered Bank (Thai) Public Company Limited</b><br>Sathorn Nakorn Tower<br>14 <sup>th</sup> Floor, Zone B<br>90 North Sathorn Road<br>Silom, Bangkok <b>10500</b> , Thailand<br>LEI: 549300O1LQYCQ7G1IM57 | <b>Thailand Securities Depository Company Limited</b><br>93 Ratchadaphisek Road, Dindaeng,<br>Bangkok, <b>10400</b> Thailand   |
| Togo            | <b>via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast</b><br>23, Bld de la République<br>17 BP 1141 Abidjan <b>17</b> Côte d'Ivoire<br>LEI: 54930016MQBB2NO5NB47                                     | <b>Dépositaire Central – Banque de Règlement</b><br>18 Rue Joseph Anoma 01 BP 3802<br>Abidjan <b>01</b> Ivory Coast  |
|                 |  | <b>Banque Centrale des Etats d'Afrique de l'Ouest</b><br>Avenue Abdoulaye FADIGA<br><b>3108</b> Dakar, Senegal   |
| Tunisia         | <b>Union Internationale de Banques</b><br>65 Avenue Bourguiba<br><b>1000</b> Tunis, Tunisia<br>LEI: 549300WKCW12LEPUMV07   | <b>Tunisie Clearing</b><br>Les Jardins du Lac II<br>1053 Les Berges du Lac<br>Tunis Tunisia  |



| Country/Market   | Sub-Custodian  | Depository   |
|--|--|--|
| Turkey   | <b>Citibank, A.Ş.</b><br>Tekfen Tower<br>Eski Büyükdere Caddesi 209<br>Kat 3<br>Levent <b>34394</b> Istanbul, Turkey<br>LEI: CWZ8NZDH5SKY12Q4US31  | <b>Central Bank of Turkey</b><br>Anafartalar Mah. İstiklal Cad. No: 10<br><b>06050</b> Ulus Altındağ Ankara Turkey<br><br><b>Central Registry Agency</b><br>Resitpasa Mahallesi<br>Tuncay Artun Caddesi<br>Emirgan, Sarıyer<br><b>34467</b> Istanbul, Turkey |
|  | <b>Deutsche Bank A.Ş.</b><br>Eski Büyükdere Caddesi<br>Tekfen Tower No. 209<br>Kat: 17 4<br>Levent <b>34394</b> Istanbul, Turkey<br>LEI: 789000N5SE3LWDK7OI11  |  |
| Uganda   | <b>Standard Chartered Bank Uganda Limited</b><br>5 Speke Road<br>P.O. Box 7111<br>Kampala, Uganda<br>LEI: 549300W7CNYGJ68XGD27   | <b>Bank of Uganda</b><br>P.O. Box 7120<br>Plot 37/45 Kampala Road<br>Kampala, Uganda   |
|  |  | <b>Securities Central Depository</b><br>Plot 1, Pilkington Road<br>Worker's House, 2nd floor North Wing<br>P.O. Box 23552<br>Kampala, Uganda   |
| Ukraine  | <b>JSC Citibank</b><br>16-g Diloza St.<br>Kyiv <b>03150</b> , Ukraine<br>LEI: 549300E0ROT17ACBZH02   | <b>National Depository of Ukraine</b><br>17/8, Nyzhniy Val Str.<br>Kyiv, Ukraine, <b>04071</b>   |
|  |  | <b>National Bank of Ukraine</b><br>9 Instytutska St.<br>Kyiv, Ukraine, <b>01601</b>  |
| United Arab Emirates<br>Dubai Financial Market               | <b>HSBC Bank Middle East Limited</b><br>(as delegate of The Hongkong and Shanghai Banking Corporation Limited)<br>HSBC Securities Services<br>HSBC Tower<br>Downtown Dubai, Level 16<br>P O Box 66<br>Dubai, United Arab Emirates<br>LEI: 549300F99IL9YJDWH369 | <b>Clearing, Settlement and Depository Division, a department of the Dubai Financial Market</b><br>World Trade Centre (Rashid Tower)<br>Sheikh Zayed Road<br>P.O. Box 9700<br>Dubai, United Arab Emirates  |
| United Arab Emirates<br>Dubai International Financial Center | <b>HSBC Bank Middle East Limited</b><br>(as delegate of The Hongkong and Shanghai Banking Corporation Limited)<br>HSBC Securities Services<br>HSBC Tower<br>Downtown Dubai, Level 16<br>P O Box 66<br>Dubai, United Arab Emirates<br>LEI: 549300F99IL9YJDWH369 | <b>Central Securities Depository, owned and operated by NASDAQ Dubai Limited</b><br>Level 7, The Exchange Building<br>Gate District<br>Dubai International Financial Centre<br>P.O. Box 53536<br>Dubai, United Arab Emirates                                 |
| United Arab Emirates<br>Abu Dhabi                            | <b>HSBC Bank Middle East Limited</b><br>(as delegate of The Hongkong and Shanghai Banking Corporation Limited)<br>HSBC Securities Services<br>HSBC Tower<br>Downtown Dubai, Level 16<br>P O Box 66<br>Dubai, United Arab Emirates<br>LEI: 549300F99IL9YJDWH369 | <b>Clearing, Settlement, Depository and Registry department of the Abu Dhabi Securities Exchange</b><br>Al Ghaith Tower<br>Hamdan Bin Mohammed Street<br><br>Abu Dubai, United Arab Emirates   |

| Country/Market             | Sub-Custodian  | Depository   |
|----------------------------|--|--|
| United Kingdom             | <b>State Street Bank and Trust Company, United Kingdom branch</b><br>Quatermile 3<br><br>10 Nightingale Way<br>Edinburgh <b>EH3 9EG</b> , Scotland<br><br>LEI: 213800YAZLPV26WFM449  | <b>Euroclear UK &amp; Ireland Limited</b><br>33 Cannon St<br>London <b>EC4M 5SB</b> , England  |
| United States              | <b>State Street Bank and Trust Company</b><br>One Lincoln Street<br>Boston, MA <b>02111</b><br>United States<br>571474TGEMMWANRLN572   | <b>Depository Trust &amp; Clearing Corporation</b><br>55 Water Street<br>New York, NY <b>10041</b> United States                                       |
|                            |  | <b>Federal Reserve Bank</b><br>20 <sup>th</sup> Street and Constitution Avenue, NW<br>Washington, DC <b>20551</b> United States                        |
| Uruguay                    | <b>Banco Itaú Uruguay S.A.</b><br>Zabala 1463<br><b>11000</b> Montevideo, Uruguay<br>LEI: 549300HU8OQS1VTVXN55   | <b>Banco Central del Uruguay</b><br>Diagonal Fabini 777<br>Montevideo, Uruguay   |
| Vietnam                    | <b>HSBC Bank (Vietnam) Limited</b><br>(as delegate of The Hongkong and Shanghai Banking Corporation Limited)<br>Centre Point<br>106 Nguyen Van Troi Street<br>Phu Nhuan District<br>Ho Chi Minh City, Vietnam<br>LEI: 213800H95OG9OVRT4Y78 | <b>Vietnam Securities Depository</b><br>15 Doan Tran Nghiep Street<br>Le Dai Hanh Ward, Hai Ba Trung District<br>Ha Noi, Vietnam                       |
| Zambia                     | <b>Standard Chartered Bank Zambia Plc.</b><br>Standard Chartered House<br>Cairo Road<br>P.O. Box 32238<br><b>10101</b> , Lusaka, Zambia<br>LEI: 549300247QDZHD130A83   | <b>Bank of Zambia</b><br>Bank Square<br>Cairo Road<br>P.O. Box 30080<br>Lusaka <b>10101</b> , Zambia   |
|                            |  | <b>LuSE Central Shares Depository Limited</b><br>Farmers House 3 <sup>rd</sup> Floor<br>Central Park<br>P.O. Box 34523<br>Lusaka <b>10101</b> , Zambia |
| Zimbabwe                   | <b>Stanbic Bank Zimbabwe Limited</b><br>(as delegate of Standard Bank of South Africa Limited)<br>3rd Floor<br>Stanbic Centre<br>59 Samora Machel Avenue<br>Harare, Zimbabwe<br>LEI: 5493001KJTIIGC8Y1R12                                  | <b>Chengetedzai Depository Company Limited</b><br>No. 1 Armagh Avenue, Eastlea<br>Harare, Zimbabwe   |
|                            |  | <b>Reserve Bank of Zimbabwe</b><br>80 Samora Machel Avenue<br>Harare, Zimbabwe   |
| Transnational Depositories |  | <b>Euroclear Bank S.A./N.V.</b><br>1 Boulevard du Roi Albert II<br><b>B-1210</b> Brussels, Belgium<br>LEI: 549300OZ46BRLZ8Y6F65                        |
|                            |  | <b>Clearstream Banking, S.A.</b><br>42 Avenue J.F. Kennedy<br><b>L-1855</b> Luxembourg<br>LEI: 549300OL514RA0SXJJ44                                    |

**VANECK UCITS ETFs plc**

**Supplement dated 20 June 2025**

**for**

**VanEck Junior Gold Miners UCITS ETF**

This Supplement contains specific information in relation to the **VanEck Junior Gold Miners UCITS ETF** (the **Fund**), a sub-fund of **VanEck UCITS ETFs plc** (the **Company**), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank pursuant to the Regulations.

**This Supplement forms part of, may not be distributed unless accompanied by (other than to prior recipients of the Prospectus of the Company dated 20 December 2024, as may be amended, supplemented or modified from time to time), and should be read in conjunction with the Prospectus for the Company.**

THIS DOCUMENT IS IMPORTANT. YOU SHOULD NOT PURCHASE SHARES IN THE FUND DESCRIBED IN THIS SUPPLEMENT UNLESS YOU HAVE ENSURED THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT AND THE RISKS INVOLVED AND ARE SATISFIED THAT THE INVESTMENT IS SUITED TO YOUR CIRCUMSTANCES AND OBJECTIVES, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU ARE RECOMMENDED TO TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR.

The Directors of the Company whose names appear in the section entitled **Directors of the Company** in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Shares purchased on the secondary market cannot usually be sold directly back to the Fund. Investors must buy and sell Shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value when buying Shares and may receive less than the current Net Asset Value per Share when selling them.

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

Certain risks attached to investments in the Fund are set out in the Prospectus in the section entitled **Risk Factors**.

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## **1 IMPORTANT INFORMATION**

### **Profile of a typical investor**

A typical investor is expected to be an informed investor who is able to bear capital and income risk, and should view investment in the Fund as a medium to long term investment. A typical investor is expected to be an investor who wishes to take exposure to the markets covered by the Fund's investment policy and is prepared to accept the risks associated with an investment of this type, including the volatility of such market.

### **General**

This Supplement sets out information in relation to the Shares and the Fund. You must also refer to the Prospectus which is separate to this document and describes the Company and provides general information about offers of shares in the Company. You should not take any action in respect of the Shares unless you have received a copy of the Prospectus. Should there be any inconsistency between the contents of the Prospectus and this Supplement, the contents of this Supplement will, to the extent of any such inconsistency, prevail. This Supplement and the Prospectus should both be carefully read in their entirety before any investment decision with respect to Shares is made.

The Shares of the Fund have been admitted to listing on the Official List and trading on the Regulated Market of Euronext Dublin. This Supplement together with the Prospectus includes all information required to be disclosed by Euronext Dublin listing requirements and comprise listing particulars for the purpose of listing the Shares of the Fund on Euronext Dublin.

Neither the admission of Shares of the Fund to listing on the Official List and to trading on the Regulated Market of Euronext Dublin nor the approval of the listing particulars pursuant to the listing requirements of Euronext Dublin shall constitute a warranty or representation by Euronext Dublin as to the competence of service providers to or any other party connected with the Fund, the adequacy of information contained in the listing particulars or the suitability of the Fund for investment purposes.

As of the date of this Supplement, the Company does not have any loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

### **Suitability of Investment**

You are advised to inform yourself as to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Shares.

The Shares are not principal protected. The value of the Shares may go up or down and you may not get back the amount you have invested. See the section entitled Risk Factors of the Prospectus and the section entitled Risk Factors of this Supplement for a discussion of certain risks that you are advised to consider.

An investment in the Shares is only suitable for you if you are a sophisticated investor and (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from

such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

## **Distribution of this Supplement and Selling Restrictions**

Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus and is not authorised in any jurisdiction after publication of the audited annual report of the Company unless a copy of the then latest annual report and, if distributed after the semi-annual report has been produced, a copy of the then latest published semi-annual report and unaudited accounts is made available in conjunction with the Prospectus and this Supplement. The distribution of this Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. If you receive a copy of this Supplement and/or the Prospectus you may not treat such document(s) as constituting an offer, invitation or solicitation to you to subscribe for any Shares unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without compliance with any registration or other legal requirement other than those with which the Company has already complied. If you wish to apply for the opportunity to purchase any Shares it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile.

## **2 INVESTMENT OBJECTIVE AND POLICIES**

### **2.1 Investment Objective**

The Fund's investment objective is to track, before fees and expenses, the price and yield performance of the MVIS® Global Junior Gold Miners Index (the **Index**). For a further description of the Index see the section entitled **Information on the Index** below.

### **2.2 Investment Policy**

In order to seek to achieve its investment objective, the Manager will normally use a replication strategy by investing directly in the underlying equity securities of the Index, being the stock, ADRs and GDRs issued by gold and silver small market capitalisation mining companies.

The Fund will seek the prior approval of the Central Bank should the Fund seek to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. In exceptional market circumstances, such as, but not limited to, a material price movement impacting the weighting of an underlying equity security of the Index or disruptive market conditions or extremely volatile markets, an underlying equity security of the Index which is held by the Fund may exceed the regulatory limits intra rebalancing dates which would result in the Fund seeking to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. Where it is not practical or cost efficient for the Fund to fully replicate the Index, the Manager may utilise an optimised sampling methodology and further detail in respect of this approach is set out in the section entitled Investment Approach below.

The Fund may invest up to 15% of its Net Asset Value directly in shares issued by companies listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, traded in foreign currencies and available for investment by domestic (Chinese) investors and foreign investors. For the avoidance of doubt, the Fund may invest in China H shares. China H shares are issued by issuers which are incorporated in China and trade on the Hong Kong stock exchange.

**The Fund may also (or alternatively) invest in financial derivative instruments (FDIs) which relate to the Index or constituents of the Index.** The FDIs which the Fund may use are futures, swaps, currency forwards and non-deliverable forwards (**NDFs**). Futures may be used in order to equitise cash balances pending investment of subscription proceeds or other cash balances held by the Fund to seek

to reduce tracking error. Currency forwards and NDFs may be used to hedge currency exposures. The Fund may use FDIs as an alternative to direct investment in the constituents of the Index in order to avail of the related cost or liquidity advantages of FDIs which may, in certain circumstances, be available over the direct investment in the constituents of the Index. The Fund may also use American depository receipts (**ADRs**), global depository receipts (**GDRs**) or participation notes (**P Notes**) to gain exposure to equity securities instead of using physical securities in circumstances where, due to local restrictions or quota limitations, it is not possible to hold these directly or where it is otherwise advantageous to the Fund to do so.

The Fund may also invest in ancillary liquid assets and money market instruments which may include bank deposits, depository receipts, certificates of deposit, fixed or floating rate instruments, commercial paper, floating rate notes and freely transferable promissory notes. The ancillary liquid assets, money market instruments and FDI (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus. Investment in ancillary liquid assets and money market instruments may be utilised in a variety of circumstances, including but not limited to, situations such as managing total exposure to cash and borrowing on a short term basis and in anticipation of participation in a rights offering.

### **2.3 Efficient Portfolio Management**

Investors should note that the Fund may also invest in FDIs for efficient portfolio management or hedging purposes. The Fund may use futures, swaps and currency forwards for the purpose of reducing risk associated with currency exposures within the Fund. This may on occasions lead to an increase in risk profile of the Fund or result in a fluctuation in the expected level of volatility. Please see the section entitled **Risk Factors** in the Prospectus in relation to such risks.

The Fund will employ the commitment approach to assess the Fund's global exposure and to ensure that the Fund's use of derivative instruments is within the limits specified by the Central Bank. Global exposure will be calculated daily. While the Fund may be leveraged through the use of the FDIs, any such leverage would not be expected to be in excess of 100% of the Fund's Net Asset Value.

Investment in FDIs is subject to the conditions and limits contained in the CBI UCITS Regulations. Subject to these limits, the Fund may invest in FDIs dealt on any of the regulated markets set out in the list of Markets in Appendix II to the Prospectus (and/or over the counter FDIs (OTCs)) which will be used for investment, efficient portfolio management and/or for hedging purposes.

The Company employs a risk management process which enables it to accurately measure, monitor and manage at any time the various risks associated with FDIs and their contribution to the overall risk profile of the portfolio of assets of the Fund. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments. The Fund will only invest in FDIs in accordance with the risk management policy prepared and submitted to the Central Bank in accordance with the Central Bank requirements.

A Fund may invest in FDIs dealt over-the-counter provided that the counterparties to over-the-counter transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

Position exposure to the underlying assets of FDIs, including embedded FDIs in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the CBI UCITS Regulations.

In addition, the Fund may enter into stocklending, repurchase and reverse repurchase agreements for efficient portfolio management purposes only subject to the conditions and the limits set out in the CBI UCITS Regulations. Investors are referred to the section entitled **Use of Financial Derivative Instruments and Efficient Portfolio Management** in the Prospectus.

## **2.4 Securities Financing Transactions**

While the Company may enter into securities financing transactions and repurchase agreements (**SFTs**) (as defined under Article 3 (11) of Regulation (EU) 2015/2365) (the SFTR), it is not anticipated that the Fund will enter into any SFTs. However, in the event that the Fund contemplates entering into such transactions, investors will be provided with further details of the structure and use of such transactions, together with any other information required to be disclosed to investors in accordance with Articles 13 and 14 of the SFTR. The Supplement will be updated accordingly in the event that the Fund will enter into any SFTs.

## **3 INVESTMENT APPROACH**

In order to seek to achieve its investment objective, the investment policy of the Fund is to use a replication strategy by investing directly in the underlying equity securities that consists of the component securities of the Index. The Fund will be 'passively' managed.

Where full replication is not possible, the Fund will invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities that generally replicate the Index. However, under various circumstances, it may not be practicable and possible to invest in such equity securities in proportion to their weightings in the Index. It is not expected that the Fund would invest in securities outside the Index under normal circumstances. In extraordinary circumstances the Fund may use such other techniques including, but not limited to, representative or "optimised" sampling to gain access to stocks which provide economic characteristics similar to the security in the Index. There also may be instances, for example if one or more securities are suspended from trading or in situations where the Fund is forced to liquidate particular securities, in which the Manager may choose to overweight a security in the Index, purchase securities not in the Index which the Manager believes are appropriate to substitute for certain securities in the Index or utilise other investment techniques in seeking to replicate, before fees and expenses, the price and yield performance of the Index. The Fund may sell securities that are represented in the Index in anticipation of their removal from the Index or purchase securities not represented in the Index in anticipation of their addition to the Index.

Anticipated tracking error is based on the expected volatility of differences between the returns of the Fund and the returns of its benchmark index. For a physically replicating ETF, one of the primary drivers of tracking error is the difference between a Fund's holdings and index constituents. Cash management, trading costs from rebalancing and withholding tax suffered by the Fund on any income received from its Investments can also have an impact on tracking error as well as the return differential between the ETF and the benchmark index. The impact can be either positive or negative depending on the underlying circumstances. The anticipated tracking error of a Fund is not a guide to its future performance. The annualised tracking error envisaged is not anticipated to exceed 0.40% under normal market conditions.

## **4 INFORMATION ON THE INDEX**

The Index tracks the performance of the global gold and silver mining small-capitalisation segment. The Index is a rules based, modified capitalisation weighted, float adjusted index intended to give investors a means of tracking the overall performance of small-capitalisation companies that are involved primarily in the mining for gold and/or silver. To be eligible for inclusion in the Index, companies must generate at least 50% (25% for current components) of their revenues from gold and/or silver mining. The target coverage for the



Index is 100% of the free-float market capitalisation of the investable global junior gold and silver miners universe with at least 25 companies.

Constituent stocks of the Index must have a market capitalisation of greater than \$150 million as of the end of the month prior to the month in which a rebalancing date occurs to be eligible for the Index. Stocks whose market capitalisations fall below \$75 million as of the end of the month prior to the month in which any rebalancing date occurs will no longer be eligible for the Index. Stocks must have a three-month average daily trading volume value of at least \$1 million to be eligible for the Index and issuers of such stocks must have traded at least an average of 250,000 shares per month over the last six months. Only shares that trade on a recognised domestic or international stock exchange may qualify (e.g., National Stock Market stocks must be “reported securities” under Rule 11Aa3-1 of the U.S. Securities Exchange Act of 1934, as amended. Similar criteria and standards apply to stocks with foreign listings).

To avoid overweighting and to guarantee diversification, the Index uses an 7% issuer cap. The 7% issuer cap ensures diversification by assigning weights to components which cannot exceed 7% but still ensures bigger sizes of bigger companies. The maximum weight for the Index components with less than 50% exposure to gold-related activities outlined is 4.5%. In case the aggregated weight of these Index components exceeds 20%, a weighting cap factor will be applied to ensure the aggregated weight of such Index components does not exceed 20%.

The components of the Index are reviewed on a semi-annual basis and the Index is rebalanced on a quarterly basis so that the Index components continue to represent the universe of companies involved in the gold and silver mining industry. Changes to the Index compositions and/or the component share weights in the Index typically take effect after the close of trading on the third Friday of each calendar quarter month in connection with the quarterly index rebalance. Further details regarding the Index are available on the Index Provider’s website: <https://marketvector.com/index-guides>.

## 5 INDEX PROVIDER

The Index is published by MarketVector Indexes™ GmbH (the **Index Provider**), an affiliated company of the Manager. The Index Provider has contracted with Solactive AG to maintain and calculate the Index. The Index Provider does not sponsor, endorse, or promote the Fund and bears no liability with respect to the Fund or any security. The Index Provider will notify the Fund of material errors in the Index via the Index Provider’s website. The Index Provider is an authorised benchmark administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation.

In accordance with Central Bank requirements, the Company is required to provide details of the Index Provider’s website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company has no responsibility for the Index Provider’s website and is not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider’s website or the contents thereof. Further information in relation to the Index may be found on the Index Provider’s website, [www.marketvector.com](http://www.marketvector.com).

## 6 INVESTMENT RESTRICTIONS

The general investment restrictions as set out in the Prospectus shall apply. The Fund may not invest more than 10% of its Net Asset Value in open-ended collective investment schemes.

The Fund may not invest less than 51% of its Net Asset Value in equity securities which constitute “equity participation” within the meaning of section 2, Article 8 of the German Investment Tax Act (Investmentsteuergesetz). Equity participation in this context consists of shares in corporations traded or admitted for trading on a regulated market or multilateral trading facility (MTF) considered as such by the

European Securities and Markets Authority (ESMA). The actual equity participation ratios of target investment funds can be taken into account.

There may be instances where the weighting of any constituent security of the Index could cause the Fund to breach the investment restrictions set out in the Prospectus. If such an event occurs, it is intended that the Fund will purchase other assets, the effect of which will seek to maintain, so far as is possible, the same economic exposure to and the same weighting of the security of that issuer in the Index without breaching its investment restrictions.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders.

## **7 BORROWING**

The Fund may borrow money in an amount up to 10% of the market value of its net assets at any time for the account of any Fund and the Depositary may charge the assets of the Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Fund may acquire currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of the Regulations provided that the offsetting deposit is denominated in the Base Currency of the Fund and equals or exceeds the value of the foreign currency loan outstanding.

## **8 RISK FACTORS**

The general risk factors as set out in the section entitled **Risk Factors** in the Prospectus apply.

Investors in the Fund should be willing to accept a high degree of volatility in the price of the Fund's Shares and the possibility of significant losses. An investment in the Fund involves a substantial degree of risk. Therefore, you are advised to consider carefully the following risks before investing in the Fund.

The value of investments and the income from them, and therefore the value of and income from the Shares can go down as well as up and an investor may not get back the amount invested. The Fund's exposure is based on the performance of the Index securities which, in turn, is exposed to general market movements (negative as well as positive).

An investment in the Fund may be subject to risks which include, among others, material transaction cost from rebalancing activity and fluctuations in the value of securities held by the Fund due to market and economic conditions or factors relating to specific issuers.

Certain additional risks may also be associated with the Fund, including, without limitation:

### **8.1 Risk of Investing in Gold and Silver Mining Companies**

As the constituents of the Index are concentrated in the gold and silver mining industry, the Fund will be sensitive to, and its performance will depend to a greater extent on, the overall condition of gold and silver ore mining companies. Competitive pressures may have a significant effect on the financial condition of gold and silver mining companies. Also, gold and silver mining companies are highly dependent on the price of gold bullion and silver, respectively, and may be adversely affected by a variety of worldwide economic, financial and political factors. These prices may fluctuate substantially over short periods of time so the Fund's Share price may be more volatile than other types of investments. To the extent a Fund invests in gold bullion, such investments may incur higher storage and custody costs as compared to purchasing, holding and selling more traditional investments. Fluctuation in the prices of gold and silver may be due to a number of factors, including changes in

inflation, changes in currency exchange rates and changes in industrial and commercial demand for metals (including fabricator demand). Additionally, increased environmental or labour costs may depress the value of metal investments. The prices of gold and precious metals operation companies are affected by the price of gold or other precious metals such as platinum, palladium and silver, as well as other prevailing market conditions. These prices may be volatile, fluctuating substantially over short periods of time. The prices of precious metals may also be influenced by macroeconomic conditions, including confidence in the global monetary system and the relative strength of various currencies, as well as demand in the industrial and jewellery sectors.

In particular, a drop in the price of gold and/or silver bullion would particularly adversely affect the profitability of smaller mining companies and their ability to secure financing. Mining operations have varying expected life spans, and companies that have mines with short expected life spans may experience more stock price volatility. Furthermore, companies that are only in the exploration stage are typically unable to adopt specific strategies for controlling the impact of the price of gold or silver.

A significant amount of the companies in the Index may be early stage mining companies that are in the exploration stage only or that hold properties that might not ultimately produce gold or silver. The exploration and development of mineral deposits involve significant financial risks over a significant period of time which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. Major expenditures may be required to establish reserves by drilling and to construct mining and processing facilities at a site. In addition, many early stage miners operate at a loss and are dependent on securing equity and/or debt financing, which might be more difficult to secure for an early stage mining company than for a more established counterpart.

## **8.2 Risk of Investing in the Basic Materials Sector**

Because the Index is concentrated in the basic materials sector (gold and silver mining companies), the Fund may be sensitive to changes in, and its performance will depend to a greater extent on, the overall condition of the basic materials sector. Companies engaged in the production and distribution of basic materials may be adversely affected by changes in world events, political and economic conditions, energy conservation, environmental policies, commodity price volatility, changes in exchange rates, imposition of import controls, increased competition, depletion of resources and labour relations.

## **8.3 Risk of Investing in Natural Resources Companies**

The Fund will be sensitive to, and its performance will depend to a greater extent on, the overall condition of the natural resources sector. Investments in natural resources and the natural resources sector can be significantly affected by events relating to these industries, including international political and economic developments, embargoes, tariffs, inflation, weather and natural disasters, limits on exploration, often rapid changes in the supply and demand for natural resources and other factors. The Fund's portfolio securities may experience substantial price fluctuations as a result of these factors, and may move independently of the trends of operating companies. Natural resources companies may be adversely affected by changes in government policies and regulations, technological advances and/or obsolescence, environmental damage claims, energy conservation efforts, the success of exploration projects, limitations on the liquidity of certain natural resources and commodities and competition from new market entrants. Changes in general economic conditions, including commodity price volatility, changes in exchange rates, imposition of import controls, rising interest rates, prices of raw materials and other commodities, depletion of resources and labour relations, could adversely affect the Fund's portfolio companies.

#### **8.4 Risk of Investing in Small- and Medium-Capitalization Companies**

The securities of small- and medium-capitalisation companies may be more volatile and less liquid than the securities of large companies. As securities of small- and medium-capitalisation companies may experience more market price volatility than securities of larger companies, the net asset value of any fund which invests in small- and medium-capitalisation companies (such as the Fund) may reflect this volatility. Small- and medium-capitalisation companies, when compared with larger companies, may have a shorter history of operations, fewer financial resources, less competitive strength, may have a less diversified product line, may be more susceptible to market pressure and may have a smaller market for their securities. Investment in small- and medium-capitalisation companies may involve comparatively higher investment costs and accordingly investment in the Fund should be viewed as a long term investment. The Fund may however dispose of an investment made by it within a relatively short period of time, for example, to meet requests for redemption of Shares.

#### **8.5 Special Risk Considerations of Investing in Australian Issuers**

Investments in securities of Australian issuers involve risks and special considerations not typically associated with investments in the U.S. or European securities markets. The Australian economy is heavily dependent on exports from the agriculture and mining industries. This makes the Australian economy susceptible to fluctuations in the commodity markets. Australia is also dependent on trading with key trading partners.

#### **8.6 Special Risk Considerations of Investing in Canadian Issuers**

Investments in securities of Canadian issuers, involve risks and special considerations not typically associated with investments in the European securities markets. The Canadian economy is very dependent on the demand for, and supply and price of, natural resources. The Canadian market is relatively concentrated in issuers involved in the production and distribution of natural resources. There is a risk that any changes in natural resources sectors could have an adverse impact on the Canadian economy. Additionally, the Canadian economy is heavily dependent on relationships with certain key trading partners, including the United States, countries in the European Union and China. Because the United States is Canada's largest trading partner and foreign investor, the Canadian economy is dependent on and may be significantly affected by the U.S. economy. Trade agreements may further increase Canada's dependency on the U.S. economy. Uncertainty as to the future of such trade agreements may cause a decline in the value of the Fund's Shares. Past periodic demands by the Province of Quebec for sovereignty have significantly affected equity valuations and foreign currency movements in the Canadian market and such demands may continue to have this effect in the future. In addition, certain sectors of Canada's economy may be subject to foreign ownership limitations. This may negatively impact the Fund's ability to invest in Canadian issuers and to track the Index.

#### **8.7 Concentration Risk**

The Fund's assets may be concentrated in a particular sector or sectors or industry or group of industries to the extent the Index concentrates in a particular sector or sectors or industry or group of industries. To the extent that the Fund's investments are concentrated in a particular sector or sectors or industry or group of industries, the Fund will be subject to the risk that economic, political or other conditions that have a negative effect on that sector or sectors or industry or group of industries will negatively impact the Fund to a greater extent than if the Fund's assets were invested in a wider variety of sectors or industries.

In addition, the Fund may invest a relatively high percentage of its assets in a smaller number of issuers or may invest a larger proportion of its assets in a single issuer in accordance with the requirements of the UCITS investment restrictions and the requirements of the Central Bank. As a result, the gains and

losses on a single investment may have a greater impact on the Fund's Net Asset Value and may make the Fund more volatile than more diversified funds.

## **8.8 Special Risk Considerations of Investing in Canadian Issuers**

Investments in securities of Canadian issuers, involve risks and special considerations not typically associated with investments in the U.S. securities markets.. The Canadian economy is very dependent on the demand for, and supply and price of, natural resources. The Canadian market is relatively concentrated in issuers involved in the production and distribution of natural resources. There is a risk that any changes in natural resources sectors could have an adverse impact on the Canadian economy. Additionally, the Canadian economy is heavily dependent on relationships with certain key trading partners, including the United States, countries in the European Union and China. Because the United States is Canada's largest trading partner and foreign investor, the Canadian economy is dependent on and may be significantly affected by the U.S. economy. Reduction in spending on Canadian products and services or changes in the U.S. economy may adversely impact the Canadian economy. Since the implementation of the North American Free Trade Agreement ("NAFTA") in 1994, total two-way merchandise trade between the United States and Canada has more than doubled. To further this relationship, all three NAFTA countries entered into The Security and Prosperity Partnership of North America in March 2005, which addressed economic and security related issues. These agreements may further increase Canada's dependency on the U.S. economy. Uncertainty as to the future of NAFTA may cause a decline in the value of the Fund's Shares. Past periodic demands by the Province of Quebec for sovereignty have significantly affected equity valuations and foreign currency movements in the Canadian market and such demands may continue to have this effect in the future. In addition, certain sectors of Canada's economy may be subject to foreign ownership limitations. This may negatively impact the Fund's ability to invest in Canadian issuers and to track the Index.

## **8.9 Emerging Markets Risk**

Investments in securities of emerging market issuers are exposed to a number of risks that may make these investments volatile in price or difficult to trade. Emerging markets are more likely than developed markets to experience problems with the clearing and settling of trades, as well as the holding of securities by local banks, agents and depositories. Political risks may include unstable governments, nationalisation, restrictions on foreign ownership, laws that prevent investors from getting their money out of a country and legal systems that do not protect property rights as well as the laws in developed countries. Market risks may also include economies that concentrate in only a few industries, securities issues that are held by only a few investors, liquidity issues and limited trading capacity in local exchanges and the possibility that markets or issues may be manipulated by foreign nationals who have inside information. The frequency, availability and quality of financial information about investments in emerging markets varies. The Fund has limited rights and few practical remedies in emerging markets and the ability of authorities in developed countries to bring enforcement actions in emerging markets may be limited, and the Fund's passive investment approach does not take account of these risks. All of these factors can make emerging market securities more volatile and potentially less liquid than securities issued in more developed markets.

## **8.10 Foreign Currency Risk**

In the event that the Fund's assets are invested in securities denominated in currencies other than the Base Currency, all or a portion of the proceeds received by the Fund from its investments and/or the revenues received from such underlying issuer will generally not be in the Base Currency. The Fund's exposure to foreign currencies and changes in the value of foreign currencies versus the Base Currency may result in reduced returns for the Fund. Moreover, the Fund may incur costs in connection with conversions between the Base Currency and foreign currencies. The value of an emerging market country's currency may be subject to a high degree of fluctuation. This fluctuation may be due to

changes in interest rates, investors' expectations concerning inflation and interest rates, the emerging market country's debt levels and trade deficit, the effects of monetary policies issued by foreign governments, central banks or supranational entities, the imposition of currency controls or other national or global political or economic developments. The economies of certain emerging market countries can be significantly affected by currency devaluations. Certain emerging market countries may also have managed currencies which are maintained at artificial levels relative to the Base Currency rather than at levels determined by the market. This type of system could lead to sudden and large adjustments in the currency, which in turn, can have a negative effect on the Fund and its investments.

## 9 DIVIDEND POLICY

It is not proposed that the Directors will declare a dividend in respect of the Fund. Full details of any change to the Fund's dividend policy will be provided in an updated Supplement and all Shareholders will be notified in advance.

## 10 KEY INFORMATION FOR PURCHASING AND SELLING

|                         |   |
|-------------------------|---|
| <b>Base Currency</b>    | US Dollar (USD).  |
| <b>Business Day</b>     | means every day other than a Saturday or Sunday (or such other day(s) as the Directors may from time to time determine and notify in advance to Shareholders).  |
| <b>Dealing Day</b>      | In general, each Business Day will be a Dealing Day. However, certain Business Days will not be Dealing Days where, in the sole determination of the Manager: (i) markets on which the Fund's investments are listed or traded, or markets relevant to the Index are closed, and/or (ii) there is a public holiday in the jurisdiction in which the Manager or its delegate(s), if applicable, is or are based; provided there is at least one Dealing Day per fortnight. The Dealing Days for the Fund are available at <a href="http://www.vaneck.com">www.vaneck.com</a> . |
| <b>Dealing Deadline</b> | 4:00 pm Irish time on the Business Day prior to the relevant Dealing Day.   |
| <b>Settlement Date</b>  | In the case of subscription(s), within 2 Business Days of the relevant Dealing Day.<br><br>In the case of repurchases, within 2 Business Days of the relevant Dealing Day.  |
| <b>Valuation Point</b>  | 11:00 p.m. Irish time on the relevant Dealing Day.  |
| <b>Website</b>          | <a href="http://www.vaneck.com">www.vaneck.com</a> - Information on portfolio composition and details of the intra-day portfolio value ( <b>iNAV</b> ) are set out on the website.  |

## Description of the Shares

|                                     |   |
|-------------------------------------|---|
| <b>Share Class</b>                  | A   |
| <b>ISIN</b>                         | IE00BQQP9G91  |
| <b>Creation Unit</b>                | 50,000 Shares or such other amount as may be determined by the Directors at their discretion.   |
| <b>Minimum Initial Subscription</b> | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Initial Subscription. |
| <b>Minimum Holding</b>              | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Holding.              |

## 11 CHARGES AND EXPENSES

The following fees and expenses will be incurred by the Company on behalf of the Fund and will affect the Net Asset Value of the relevant Class of Share of the Fund:

|                    |   |
|--------------------|---|
| <b>Share Class</b> | A   |
| <b>Total Fee</b>   | Up to 0.55% per annum or such lower amount as may be advised to Shareholders from time to time. |

The Total Fee, a percentage of the Net Asset Value of the relevant Class of Shares (plus VAT, if any), is payable by the Company out of the Fund Assets to the Manager. The Total Fee will accrue on each day and will be calculated on each Dealing Day and paid monthly in arrears. The Total Fee will cover all of the ordinary fees, operating costs and expenses payable by the Fund including fees and expenses paid to the Manager, all ordinary costs and expenses connected with the management and operating activities of the Fund, including investment management and advisory fees, Director's fees, registration, transfer agency, administration and custody fees, registrar fees, regulators and auditors and certain legal expenses of the Company. The Total Fee does not include extraordinary costs and expenses (including but not limited to transaction charges, stamp duty or other taxes on the investments of the Company including duty charges for portfolio re-balancing, withholding taxes, commissions and brokerage fees incurred with respect to the Company's investments, interest on any non-overdraft credit facility and charges incurred in negotiating, effecting or varying the terms of such facility, any commissions charged by intermediaries in relation to an investment in the Fund and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the Company all of which will be paid separately out of the assets of the Fund).

This section entitled **Charges and Expenses** should be read in conjunction with the sections entitled **General Charges and Expenses** and **Management Charges and Expenses** in the Prospectus.

## 12 REGISTRATION FOR PUBLIC DISTRIBUTION AND LISTING

Application is expected to be made to register the Fund for public distribution in various countries.

Shares have been listed on Euronext Dublin and the London Stock Exchange. Through the operation of such a secondary market, persons who are not Authorised Participants or not able or willing to subscribe for and redeem Creation Units will be able to buy Shares from or sell Shares to other retail investors or market makers, broker/dealers, or other Authorised Participants at prices which should approximate, after currency conversion, the Net Asset Value of the Shares.

## **13 HOW TO BUY AND SELL SHARES**

Investors can buy and sell Shares on the secondary market as described above in accordance with the procedures set out in the section entitled **Secondary Market** in the Prospectus.

Investors can otherwise subscribe for or redeem Creation Units in accordance with the procedures set out in the Prospectus.

## **14 SUSTAINABLE FINANCE DISCLOSURE**

The Manager has categorised the Fund as meeting the provisions set out in Article 6 of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector ("SFDR") and does not follow a dedicated ESG investment strategy. The Fund does not have sustainable investment as its investment objective, nor does it promote environmental or social characteristics.

### **14.1 Sustainability risks**

Sustainability risk is the risk that the value of an investment will decline as a result of an environmental, social or governance (ESG) event or circumstance. Ecological events include climate change, scarcity of natural resources and pollution. Social events may include labor issues and product liability. Governance can include themes such as shareholder rights, business ethics, diversity and executive remuneration. Sustainability risks can arise in all kinds of forms. With regard to the theme of climate, for example, there is a distinction between transition risks and physical risks, whereby transition risks can be divided into legal and regulatory risks, technological risks, market risks and reputation risks. In addition, the impact of sustainability risk has various scopes, including company-specific, sector-specific and on country level. The occurrence of a sustainability risk results in other (financial) risks manifesting. This can negatively affect the value of the investment.

Concrete examples of sustainability risks for this Fund are: Mining companies are increasingly expected to demonstrate responsible stewardship. Not doing so can cause reputational damage or loss of access to shared resources such as land. This can negatively influence the value of the mining company. Also, a mining company's reputation can deteriorate as a result of negative publicity about a labor issue that can cause the value of its stock to decline. The expected impact of sustainability risks on the return depends on the type of sustainability risk that materializes. For mining companies, the expected impact is generally viewed as significant.

### **14.2 Sustainability risk integration features**

The Fund has a passive investment policy whereby the Fund aims to follow the Index as closely as possible. The relevant Index has no specific sustainability characteristics. The Fund therefore does not have any specific sustainability characteristics as well.

The Manager applies the following measures to integrate sustainability risks for this Fund:

#### **Exclusions**

Exclusions apply to this Fund as further outlined in section 10 of the Prospectus.



## Voting

The Manager can exercise his voting rights at shareholders' meetings, according to the Proxy Voting Policy. To assist in its responsibility for voting proxies and the overall voting process, the Manager has engaged an independent third party proxy voting specialist, Glass Lewis Europe Limited, which takes also Environmental, Social and Governance factors into account when casting votes.

In particular, the Glass Lewis ESG voting policy is applied:

- On the Environmental side, within others, measures in favour of increased disclosure of a company's environmental risk through company-specific disclosure as well as compliance with international environmental conventions and adherence to environmental principles will be supported. Similarly, the ESG Policy will support proposals requesting companies develop greenhouse gas emissions reduction goals, comprehensive recycling. The ESG Policy will evaluate a company's impact on the environment, in addition to the regulatory risk a company may face by not adopting environmentally responsible policies. Further, the ESG Policy will consider voting against directors for not appropriately overseeing environmental risk.
- On the Social side, the ESG Policy will support several proposals, including but not limited to requesting that a company develop sustainable business practices, such as animal welfare policies, human rights policies, and fair lending policies. Furthermore, the ESG Policy will also generally support enhancing the rights of workers, as well as considering the communities and broader constituents in the areas in which companies do business.
- On the Governance side, the ESG Policy supports, within other aspects, increased shareholder participation and access to a company and its board of directors. Accordingly, the ESG Policy will vote in favour of initiatives that seek to enhance shareholder rights, such as the introduction of majority voting to elect directors, the adoption and amendment of proxy access bylaws, the elimination/reduction of supermajority provisions, the declassification of the board, the submission of shareholder rights' plans to a shareholder vote, and the principle of one share, one vote.

## Engagement

The Manager appointed a third-party engagement specialist, Glass Lewis Europe Limited, for the passive equity funds managed by VanEck Asset Management B.V. The engagement provider determines the engagement approach in accordance with its engagement policy and based on its engagements' priorities.

### 14.3 Taxonomy Regulation Disclosure

The underlying investments of the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

## 15 OTHER INFORMATION

New Funds may be created from time to time by the Directors with the prior approval of the Central Bank in which case further Supplements incorporating provisions relating to those Funds will be issued by the Company.

The names of the Funds currently approved by the Central Bank are listed in the Global Addendum.

## **SCHEDULE 1**

### **DISCLAIMERS**

The Index is the exclusive property of MV Index Solutions GmbH (**MVIS®**), a wholly owned subsidiary of the Manager, which has contracted with Solactive AG to maintain and calculate the Index. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards MVIS®, Solactive AG has no obligation to point out errors in the Index to third parties. The Fund is not sponsored, endorsed, sold or promoted by MVIS® and MVIS® makes no representation regarding the advisability of investing in the Fund. Index values are calculated daily and are disseminated every 15 seconds between the hours of approximately 01:00 and 22:40 (CET).

In accordance with Central Bank requirements, the Company and the Fund are required to provide details of the Index Provider's website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company and the Funds have no responsibility for the Index Provider's website and are not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof.

The indicative optimized portfolio value/ intra-day portfolio value is calculated by S&P Global Ltd.

**VANECK UCITS ETFs plc**

**Supplement dated 19 September 2025**

**for**

**VanEck Gold Miners UCITS ETF**

This Supplement contains specific information in relation to the **VanEck Gold Miners UCITS ETF** (the **Fund**), a sub-fund of **VanEck UCITS ETFs plc** (the **Company**), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank pursuant to the Regulations.

**This Supplement forms part of, may not be distributed unless accompanied by (other than to prior recipients of the Prospectus of the Company dated 20 December 2024, as may be amended, supplemented or modified from time to time), and should be read in conjunction with the Prospectus for the Company.**

THIS DOCUMENT IS IMPORTANT. YOU SHOULD NOT PURCHASE SHARES IN THE FUND DESCRIBED IN THIS SUPPLEMENT UNLESS YOU HAVE ENSURED THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT AND THE RISKS INVOLVED AND ARE SATISFIED THAT THE INVESTMENT IS SUITED TO YOUR CIRCUMSTANCES AND OBJECTIVES, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU ARE RECOMMENDED TO TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR.

The Directors of the Company whose names appear in the section entitled **Directors of the Company** in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Shares purchased on the secondary market cannot usually be sold directly back to the Fund. Investors must buy and sell Shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value when buying Shares and may receive less than the current Net Asset Value per Share when selling them.

Certain risks attached to investments in the Fund are set out in the Prospectus in the section entitled **Risk Factors**.

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## **1 IMPORTANT INFORMATION**

### **Profile of a typical investor**

A typical investor is expected to be an informed investor who is able to bear capital and income risk, and should view investment in the Fund as a medium to long term investment. A typical investor is expected to be an investor who wishes to take exposure to the markets covered by the Fund's investment policy and is prepared to accept the risks associated with an investment of this type, including the volatility of such market.

### **General**

This Supplement sets out information in relation to the Shares and the Fund. You must also refer to the Prospectus which is separate to this document and describes the Company and provides general information about offers of shares in the Company. You should not take any action in respect of the Shares unless you have received a copy of the Prospectus. Should there be any inconsistency between the contents of the Prospectus and this Supplement, the contents of this Supplement will, to the extent of any such inconsistency, prevail. This Supplement and the Prospectus should both be carefully read in their entirety before any investment decision with respect to Shares is made.

The Shares of the Fund have been admitted to listing on the Official List and trading on the Regulated Market of Euronext Dublin. This Supplement together with the Prospectus includes all information required to be disclosed by Euronext Dublin listing requirements and comprise listing particulars for the purpose of listing the Shares of the Fund on Euronext Dublin.

Neither the admission of Shares of the Fund to listing on the Official List and to trading on the Regulated Market of Euronext Dublin nor the approval of the listing particulars pursuant to the listing requirements of Euronext Dublin shall constitute a warranty or representation by Euronext Dublin as to the competence of service providers to or any other party connected with the Fund, the adequacy of information contained in the listing particulars or the suitability of the Fund for investment purposes.

As of the date of this Supplement, the Company does not have any loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

### **Suitability of Investment**

You are advised to inform yourself as to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Shares.

The Shares are not principal protected. The value of the Shares may go up or down and you may not get back the amount you have invested. See the section entitled Risk Factors of the Prospectus and the section entitled Risk Factors of this Supplement for a discussion of certain risks that should be considered by you.

An investment in the Shares is only suitable for you if you are a sophisticated investor and (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

## **Distribution of this Supplement and Selling Restrictions**

Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus and is not authorised in any jurisdiction after publication of the audited annual report of the Company unless a copy of the then latest annual report and, if distributed after the semi-annual report has been produced, a copy of the then latest published semi-annual report and unaudited accounts is made available in conjunction with the Prospectus and this Supplement. The distribution of this Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. If you receive a copy of this Supplement and/or the Prospectus you may not treat such document(s) as constituting an offer, invitation or solicitation to you to subscribe for any Shares unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without compliance with any registration or other legal requirement other than those with which the Company has already complied. If you wish to apply for the opportunity to purchase any Shares it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile.

## **2 INVESTMENT OBJECTIVE AND POLICIES**

### **2.1 Investment Objective**

The Fund's investment objective is to track, before fees and expenses, the price and yield performance of MarketVector™ Global Gold Miners Index (the **Index**). For a further description of the Index see the section entitled **Information on the Index** below.

### **2.2 Investment Policy**

In order to seek to achieve its investment objective, the Manager will normally use a replication strategy by investing directly in the underlying equity securities of the Index, which currently includes common stocks, ADRs and GDRs of selected companies that generate at least 50% (25% for current Index components) of their revenues from gold and/or silver mining/royalties/streaming or have at least 50% (25% for current Index components) of their mineral resources related to gold and/or silver and that are listed for trading and electronically quoted on a major stock market that is accessible by foreign investors.

The Fund will seek the prior approval of the Central Bank should the Fund seek to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. In exceptional market circumstances, such as, but not limited to, a material price movement impacting the weighting of an underlying equity security of the Index or disruptive market conditions or extremely volatile markets, an underlying equity security of the Index which is held by the Fund may exceed the regulatory limits intra rebalancing dates which would result in the Fund seeking to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. Where it is not practical or cost efficient for the Fund to fully replicate the Index, the Manager may utilise an optimised sampling methodology and further detail in respect of this approach is set out in the section entitled Investment Approach below.

The Fund may invest up to 15% of its Net Asset Value directly in shares issued by companies listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, traded in foreign currencies and

available for investment by domestic (Chinese) investors and foreign investors. For the avoidance of doubt, the Fund may invest in China H shares. China H shares are issued by issuers which are incorporated in China and trade on the Hong Kong stock exchange.

**The Fund may also (or alternatively) invest in financial derivative instruments (FDIs) which relate to the Index or constituents of the Index.** The FDIs which the Fund may use are futures, swaps, currency forwards and non-deliverable forwards (**NDFs**). Futures may be used in order to equitise cash balances pending investment of subscription proceeds or other cash balances held by the Fund to seek to reduce tracking error. Currency forwards and NDFs may be used to hedge currency exposures. The Fund may use FDIs as an alternative to direct investment in the constituents of the Index in order to avail of the related cost or liquidity advantages of FDIs which may, in certain circumstances, be available over the direct investment in the constituents of the Index. The Fund may also use American depository receipts (**ADRs**), global depository receipts (**GDRs**) or participation notes (**P Notes**) to gain exposure to equity securities instead of using physical securities in circumstances where, due to local restrictions or quota limitations, it is not possible to hold these directly or where it is otherwise advantageous to the Fund to do so.

The Fund may also invest in ancillary liquid assets and money market instruments which may include bank deposits, depository receipts, certificates of deposit, fixed or floating rate instruments, commercial paper, floating rate notes and freely transferable promissory notes. The ancillary liquid assets, money market instruments and FDI (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus. Investment in ancillary liquid assets and money market instruments may be utilised in a variety of circumstances, including but not limited to, situations such as managing total exposure to cash and borrowing on a short term basis and in anticipation of participation in a rights offering.

## **2.3 Efficient Portfolio Management**

Investors should note that the Fund may also invest in FDIs for efficient portfolio management or hedging purposes. The Fund may use futures, swaps and currency forwards for the purpose of reducing risk associated with currency exposures within the Fund. This may on occasions lead to an increase in risk profile of the Fund or result in a fluctuation in the expected level of volatility. Please see the section entitled **Risk Factors** in the Prospectus in relation to such risks.

The Fund will employ the commitment approach to assess the Fund's global exposure and to ensure that the Fund's use of derivative instruments is within the limits specified by the Central Bank. Global exposure will be calculated daily. While the Fund may be leveraged through the use of the FDIs, any such leverage would not be expected to be in excess of 100% of the Fund's Net Asset Value.

Investment in FDIs is subject to the conditions and limits contained in the CBI UCITS Regulations. Subject to these limits, the Fund may invest in FDIs dealt on any of the regulated markets set out in the list of Markets in Appendix II to the Prospectus (and/or over the counter FDIs (OTCs)) which will be used for investment, efficient portfolio management and/or for hedging purposes.

The Company employs a risk management process which enables it to accurately measure, monitor and manage at any time the various risks associated with FDIs and their contribution to the overall risk profile of the portfolio of assets of the Fund. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments. The Fund will only invest in FDIs in accordance with the risk management policy prepared and submitted to the Central Bank in accordance with the Central Bank requirements.

A Fund may invest in FDIs dealt over-the-counter provided that the counterparties to over-the-counter transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

Position exposure to the underlying assets of FDIs, including embedded FDIs in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the CBI UCITS Regulations.

In addition, the Fund may enter into stocklending, repurchase and reverse repurchase agreements for efficient portfolio management purposes only subject to the conditions and the limits set out in the CBI UCITS Regulations. Investors are referred to the section entitled **Use of Financial Derivative Instruments and Efficient Portfolio Management** in the Prospectus.

## 2.4 Securities Financing Transactions

While the Company may enter into securities financing transactions and repurchase agreements (**SFTs**) (as defined under Article 3 (11) of Regulation (EU) 2015/2365) (the SFTR), it is not anticipated that the Fund will enter into any SFTs. However, in the event that the Fund contemplates entering into such transactions, investors will be provided with further details of the structure and use of such transactions, together with any other information required to be disclosed to investors in accordance with Articles 13 and 14 of the SFTR. The Supplement will be updated accordingly in the event that the Fund will enter into any SFTs.

## 3 INVESTMENT APPROACH

In order to seek to achieve its investment objective, the investment policy of the Fund is to use a replication strategy by investing directly in the underlying equity securities that consists of the component securities of the Index. The Fund will be 'passively' managed.

Where full replication is not possible, the Fund will invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities that generally replicate the Index. However, under various circumstances, it may not be practicable and possible to invest in such equity securities in proportion to their weightings in the Index. It is not expected that the Fund would invest in securities outside the Index under normal circumstances. In extraordinary circumstances the Fund may use such other techniques including, but not limited to, representative or "optimised" sampling to gain access to stocks which provide economic characteristics similar to the security in the Index. There also may be instances, for example if one or more securities are suspended from trading or in situations where the Fund is forced to liquidate particular securities, in which the Manager may choose to overweight a security in the Index, purchase securities not in the Index which the Manager believes are appropriate to substitute for certain securities in the Index or utilise other investment techniques in seeking to replicate, before fees and expenses, the price and yield performance of the Index. The Fund may sell securities that are represented in the Index in anticipation of their removal from the Index or purchase securities not represented in the Index in anticipation of their addition to the Index.

Anticipated tracking error is based on the expected volatility of differences between the returns of the Fund and the returns of the Index. For a physically replicating ETF, one of the primary drivers of tracking error is the difference between a Fund's holdings and index constituents. Cash management, trading costs from rebalancing and withholding tax suffered by the Fund on any income received from its Investments can also have an impact on tracking error as well as the return differential between the Fund and the Index. The impact can be either positive or negative depending on the underlying circumstances. The anticipated tracking error of the Fund is not a guide to its future performance. The annualised tracking error envisaged is not anticipated to exceed 0.20% under normal market conditions.



## 4 INFORMATION ON THE INDEX

The Index is a rules based, modified capitalization weighted, float adjusted index intended to give investors a means of tracking the overall performance of companies that are involved primarily in the gold and silver mining industry.

To be initially eligible for the New Index, (i) companies must generate at least 50% (25% for current Index components) of their revenues from gold and/or silver mining/royalties/streaming or have at least 50% (25% for current Index components) of their mineral resources related to gold and/or silver and (ii) all stocks must have a market capitalization of greater than \$150 million as of the end of the month prior to the month in which a rebalancing date occurs.

Additionally, the Index has average trading volume criteria that are specified in the Index methodology, which is available on the Index Provider's website.

The Index is currently reconstituted and rebalanced quarterly. The Index Provider may delay or change a scheduled rebalancing or reconstitution of the Index or the implementation of certain rules at its sole discretion.

The information on the Index contains a summary of the principal features of the Index and is not a complete description of the Index. In case of inconsistency between the Information on the Index contained in this summary and the complete description of the Index which can be found on the Index Provider's website, the complete description of the Index prevails. Information on the Index appears on the website identified in the section entitled "Index Provider". Such information may change from time to time and details of the changes will appear on that website.

## 5 INDEX PROVIDER

The Index is published by MarketVector Indexes™ GmbH (the **Index Provider**), an affiliated company of the Manager. The Index Provider has contracted with Solactive AG to maintain and calculate the Index. The Index Provider does not sponsor, endorse, or promote the Fund and bears no liability with respect to the Fund or any security. The Index Provider will notify the Fund of material errors in the Index via the Index Provider's website. The Index Provider is an authorised benchmark administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation.

In accordance with Central Bank requirements, the Company is required to provide details of the Index Provider's website to enable Shareholders to obtain further details of the Index (including the Index constituents). The Company has no responsibility for the Index Provider's website and is not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof. Further information in relation to the Index may be found on the Index Provider's website, [www.marketvector.com](http://www.marketvector.com).

## 6 INVESTMENT RESTRICTIONS

The general investment restrictions as set out in the Prospectus shall apply. The Fund may not invest more than 10% of its Net Asset Value in open-ended collective investment schemes.

The Fund may not invest less than 51% of its Net Asset Value in equity securities which constitute "equity participation" within the meaning of section 2, Article 8 of the German Investment Tax Act (Investmentsteuergesetz). Equity participation in this context consists of shares in corporations traded or admitted for trading on a regulated market or multilateral trading facility (MTF) considered as such by the

European Securities and Markets Authority (ESMA). The actual equity participation ratios of target investment funds can be taken into account.

There may be instances where the weighting of any constituent security of the Index could cause the Fund to breach the investment restrictions set out in the Prospectus. If such an event occurs, it is intended that the Fund will purchase other assets, the effect of which will seek to maintain, so far as is possible, the same economic exposure to and the same weighting of the security of that issuer in the Index without breaching its investment restrictions.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders.

## 7 BORROWING

The Fund may borrow money in an amount up to 10% of the market value of its net assets at any time for the account of any Fund and the Depositary may charge the assets of the Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Fund may acquire currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of the Regulations provided that the offsetting deposit is denominated in the Base Currency of the Fund and equals or exceeds the value of the foreign currency loan outstanding.

## 8 RISK FACTORS

The general risk factors as set out in the section entitled **Risk Factors** in the Prospectus apply.

Investors in the Fund should be willing to accept a high degree of volatility in the price of the Fund's Shares and the possibility of significant losses. An investment in the Fund involves a substantial degree of risk. Therefore, you are advised to consider carefully the following risks before investing in the Fund.

The value of investments and the income from them, and therefore the value of and income from the Shares can go down as well as up and an investor may not get back the amount invested. The Fund's exposure is based on the performance of the Index securities which, in turn, is exposed to general market movements (negative as well as positive).

An investment in the Fund may be subject to risks which include, among others, material transaction cost from rebalancing activity and fluctuations in the value of securities held by the Fund due to market and economic conditions or factors relating to specific issuers.

Certain additional risks may also be associated with the Fund, including, without limitation:

### 8.1 Risk of Investing in Gold and Silver Mining Companies

The Fund will be sensitive to changes in, and its performance will depend to a greater extent on, the overall condition of gold and silver mining companies. Investments related to gold and silver are considered speculative and are affected by a variety of factors. Competitive pressures may have a significant effect on the financial condition of gold and silver mining companies. Also, gold and silver mining companies are highly dependent on the price of gold and silver bullion, respectively, and may be adversely affected by a variety of worldwide economic, financial and political factors. The price of gold has fluctuated in recent years and may continue to fluctuate substantially over short periods of time so the Fund's Share price may be more volatile than other types of investments. Fluctuation in the prices of gold and silver may be due to a number of factors, including changes in inflation and changes in industrial and commercial demand for metals (including fabricator demand).

Additionally, increased environmental or labour costs may depress the value of metal investments. In times of significant inflation or great economic uncertainty, gold, silver and other precious metals may outperform traditional investments such as bonds and stocks. However, in times of stable economic growth, traditional equity and debt investments could offer greater appreciation potential and the value of gold, silver and other precious metals may be adversely affected, which could in turn affect the Fund's returns. If a natural disaster or other event with a significant economic impact occurs in a region where the companies in which the Fund invests operate, such disaster or event could negatively affect the profitability of such companies and, in turn the companies investment in them.

## **8.2 Risk of Investing in Natural Resources Companies**

The Fund will be sensitive to, and its performance will depend to a greater extent on, the overall condition of the natural resources sector. Investments in natural resources and the natural resources sector can be significantly affected by events relating to these industries, including international political and economic developments, embargoes, tariffs, inflation, weather and natural disasters, limits on exploration, often rapid changes in the supply and demand for natural resources and other factors. The Fund's portfolio securities may experience substantial price fluctuations as a result of these factors, and may move independently of the trends of operating companies. Natural resources companies may be adversely affected by changes in government policies and regulations, technological advances and/or obsolescence, environmental damage claims, energy conservation efforts, the success of exploration projects, limitations on the liquidity of certain natural resources and commodities and competition from new market entrants. Changes in general economic conditions, including commodity price volatility, changes in exchange rates, imposition of import controls, rising interest rates, prices of raw materials and other commodities, depletion of resources and labour relations, could adversely affect the Fund's portfolio companies.

## **8.3 Special Risk Considerations of Investing in Canadian Issuer**

To the extent the Fund continues to invest in securities issued by Canadian issuers, the Fund may be subject to the risk of investing in such issuers. The Canadian economy is very dependent on the demand for, and supply and price of, natural resources. The Canadian market is relatively concentrated in issuers involved in the production and distribution of natural resources. There is a risk that any changes in natural resources sectors could have an adverse impact on the Canadian economy. Additionally, the Canadian economy is heavily dependent on relationships with certain key trading partners including the United States, countries in the European Union and China.

Because the United States is Canada's largest trading partner and foreign investor, the Canadian economy is dependent on and may be significantly affected by the U.S. economy. Reduction in spending on Canadian products and services or changes in the U.S. economy may adversely impact the Canadian economy. Since the implementation of the North American Free Trade Agreement ("NAFTA") in 1994, total two-way merchandise trade between the United States and Canada has more than doubled. To further this relationship, all three NAFTA countries entered into The Security and Prosperity Partnership of North America in March 2005, which addressed economic and security related issues. These agreements may further increase Canada's dependency on the U.S. economy. Uncertainty as to the future of NAFTA may cause a decline in the value of the Fund's Shares. Past periodic demands by the Province of Quebec for sovereignty have significantly affected equity valuations and foreign currency movements in the Canadian market and such demands may continue to have this effect in the future. In addition, certain sectors of Canada's economy may be subject to foreign ownership limitations. This may negatively impact the Fund's ability to invest in Canadian issuers and to track the Index.

## **8.4 Foreign Currency Risk**

In the event that the Fund's assets are invested in securities denominated in currencies other than the Base Currency, all or a portion of the proceeds received by the Fund from its investments and/or the revenues received from such underlying issuer will generally not be in the Base Currency. The Fund's exposure to foreign currencies and changes in the value of foreign currencies versus the Base Currency may result in reduced returns for the Fund. Moreover, the Fund may incur costs in connection with conversions between the Base Currency and foreign currencies. The value of an emerging market country's currency may be subject to a high degree of fluctuation. This fluctuation may be due to changes in interest rates, investors' expectations concerning inflation and interest rates, the emerging market country's debt levels and trade deficit, the effects of monetary policies issued by foreign governments, central banks or supranational entities, the imposition of currency controls or other national or global political or economic developments. The economies of certain emerging market countries can be significantly affected by currency devaluations. Certain emerging market countries may also have managed currencies which are maintained at artificial levels relative to the Base Currency rather than at levels determined by the market. This type of system could lead to sudden and large adjustments in the currency, which in turn, can have a negative effect on the Fund and its investments.

#### **8.5 Risk of Investing in Small- and Medium-Capitalization Companies**

The securities of small- and medium-capitalisation companies may be more volatile and less liquid than the securities of large companies. As securities of small- and medium-capitalisation companies may experience more market price volatility than securities of larger companies, the net asset value of any fund which invests in small- and medium-capitalisation companies (such as the Fund) may reflect this volatility. Small- and medium-capitalisation companies, when compared with larger companies, may have a shorter history of operations, fewer financial resources, less competitive strength, may have a less diversified product line, may be more susceptible to market pressure and may have a smaller market for their securities. Investment in small- and medium-capitalisation companies may involve comparatively higher investment costs and accordingly investment in the Fund should be viewed as a long term investment. The Fund may however dispose of an investment made by it within a relatively short period of time, for example, to meet requests for redemption of Shares.

#### **8.6 Special Risk Considerations of Investing in Australian Issuers**

Investments in securities of Australian issuers involve risks and special considerations not typically associated with investments in the U.S. or European securities markets. The Australian economy is heavily dependent on exports from the agriculture and mining industries. This makes the Australian economy susceptible to fluctuations in the commodity markets. Australia is also dependent on trading with key trading partners.

#### **8.7 Special Risk Considerations of Investing in Canadian Issuers**

Investments in securities of Canadian issuers, involve risks and special considerations not typically associated with investments in the U.S. or European securities markets. The Canadian economy is very dependent on the demand for, and supply and price of, natural resources. The Canadian market is relatively concentrated in issuers involved in the production and distribution of natural resources. There is a risk that any changes in natural resources sectors could have an adverse impact on the Canadian economy. Additionally, the Canadian economy is heavily dependent on relationships with certain key trading partners, including the United States, countries in the European Union and China. Because the United States is Canada's largest trading partner and foreign investor, the Canadian economy is dependent on and may be significantly affected by the U.S. economy. Trade agreements may further increase Canada's dependency on the U.S. economy. Uncertainty as to the future of such trade agreements may cause a decline in the value of the Fund's Shares. Past periodic demands by

the Province of Quebec for sovereignty have significantly affected equity valuations and foreign currency movements in the Canadian market and such demands may continue to have this effect in the future. In addition, certain sectors of Canada's economy may be subject to foreign ownership limitations. This may negatively impact the Fund's ability to invest in Canadian issuers and to track the Index.

## **8.8 Special Risk Considerations of Investing in African Issuers**

Investments in securities of African issuers, including issuers located outside of Africa that generate significant revenues from Africa, involve risks and special considerations not typically associated with investments in the U.S. or European securities markets. Such heightened risks include, among others, expropriation and/or nationalization of assets, restrictions on and government intervention in international trade, confiscatory taxation, political instability, including authoritarian and/or military involvement in governmental decision making, armed conflict, terrorism, infectious disease outbreaks, strained international relations related to border disputes, the impact on the economy as a result of civil war, and social instability as a result of religious, ethnic and/or socioeconomic unrest and, in certain countries, genocidal warfare. Unanticipated political or social developments may result in sudden and significant investment losses.

Additionally, Africa is located in a part of the world that has historically been prone to natural disasters, such as droughts, and is economically sensitive to environmental events. The securities markets in Africa are underdeveloped and are often considered to be less correlated to global economic cycles than those markets located in more developed countries or geographic regions. A subset of African emerging market countries are considered to be "frontier markets." Frontier market countries generally have smaller economies and less developed capital markets than traditional emerging markets, and, as a result, the risks of investing in emerging market countries are magnified in frontier market countries. As a result, securities markets in Africa are subject to greater risks associated with market volatility, lower market capitalization, lower trading volume, illiquidity, inflation, greater price fluctuations, uncertainty regarding the existence of trading markets, governmental control and heavy regulation of labor and industry. There may also be a high concentration of trading volume in a small number of issuers, investors and financial intermediaries representing a limited number of sectors or industries. Moreover, trading on securities markets may be suspended altogether.

Certain economies in African countries depend to a significant degree upon exports of primary commodities such as agricultural products, gold, silver, copper, diamonds and oil. These economies therefore are vulnerable to changes in commodity prices, which in turn may be affected by a variety of factors.

Certain governments in Africa may restrict or control to varying degrees the ability of foreign investors to invest in securities of issuers located or operating in those countries. These restrictions and/or controls may at times limit or prevent foreign investment in securities of issuers located or operating in countries in Africa. Moreover, certain countries in Africa may require governmental approval or special licenses prior to investments by foreign investors and may limit the amount of investments by foreign investors in a particular industry and/or issuer and may limit such foreign investment to a certain class of securities of an issuer that may have less advantageous rights than the classes available for purchase by domiciliaries of those countries and/or impose additional taxes on foreign investors. These factors, among others, make investing in issuers located or operating in countries in Africa significantly riskier than investing in issuers located or operating in more developed countries, and any one of them could cause a decline in the value of the Fund's Shares.

There may be a risk of loss due to the imposition of restrictions on repatriation of capital invested. In addition, certain African countries have currencies pegged to the U.S. dollar. If such currency pegs are

abandoned, such abandonment could cause sudden and significant currency adjustments, which could impact the Fund's investment returns in those countries. There may be limitations or delays in the convertibility or repatriation of certain African currencies, which would adversely affect the U.S. dollar value and/or liquidity of the Fund's investments denominated in such African currencies, may impair the Fund's ability to achieve its investment objective and/or may impede the Fund's ability to satisfy redemption requests in a timely manner. For these or other reasons, the Fund could seek to suspend redemptions of Creation Units, including in the event that an emergency exists in which it is not reasonably practicable for the Fund to dispose of its securities or to determine its net asset value. The Fund could also, among other things, limit or suspend creations of Creation Units. During the period that creations or redemptions are affected, the Fund's shares could trade at a significant premium or discount to their net asset value. In the case of a period during which creations are suspended, the Fund could experience substantial redemptions, which may exacerbate the discount to net asset value at which the Fund's shares trade, cause the Fund to experience increased transaction costs, and cause the Fund to make greater taxable distributions to Shareholders of the Fund. When the Fund holds illiquid investments, its portfolio may be harder to value.

## 8.9 Risk of Investing in Emerging Markets Issuers

Investments in securities of emerging market issuers are exposed to a number of risks that may make these investments volatile in price or difficult to trade. Emerging markets are more likely than developed markets to experience problems with the clearing and settling of trades, as well as the holding of securities by local banks, agents and depositories. Political risks may include unstable governments, nationalization, restrictions on foreign ownership, laws that prevent investors from getting their money out of a country and legal systems that do not protect property rights as well as the laws in developed countries. Market risks may also include economies that concentrate in only a few industries, securities issues that are held by only a few investors, liquidity issues and limited trading capacity in local exchanges and the possibility that markets or issues may be manipulated by foreign nationals who have inside information.

## 8.10 Concentration Risk

The Fund's assets may be concentrated in a particular sector or sectors or industry or group of industries to the extent the Index concentrates in a particular sector or sectors or industry or group of industries. To the extent that the Fund is concentrated in a particular sector or sectors or industry or group of industries, the Fund will be subject to the risk that economic, political or other conditions that have a negative effect on that industry may negatively impact the Fund to a greater extent than if the Fund's assets were invested in a wider variety of sectors or industries.

## 9 DIVIDEND POLICY

It is not proposed that the Directors will declare a dividend in respect of the Fund. Full details of any change to the Fund's dividend policy will be provided in an updated Supplement and all Shareholders will be notified in advance.

## 10 KEY INFORMATION FOR PURCHASING AND SELLING

|                      |  |
|----------------------|--|
| <b>Base Currency</b> | US Dollar (USD).   |
| <b>Business Day</b>  | means every day other than a Saturday or Sunday (or such other day(s) as the Directors may from time to time determine and notify in advance to Shareholders). |

|                         |   |
|-------------------------|---|
| <b>Dealing Day</b>      | In general, each Business Day will be a Dealing Day. However, certain Business Days will not be Dealing Days where, in the sole determination of the Manager: (i) markets on which the Fund's investments are listed or traded, or markets relevant to the Index are closed, and/or (ii) there is a public holiday in the jurisdiction in which the Manager or its delegate(s), if applicable, is or are based; provided there is at least one Dealing Day per fortnight. The Dealing Days for the Fund are available at <a href="http://www.vaneck.com">www.vaneck.com</a> . |
| <b>Dealing Deadline</b> | 4:00 pm (Irish time) on the Business Day prior to the relevant Dealing Day.   |
| <b>Settlement Date</b>  | In the case of subscription(s), within 2 Business Days of the relevant Dealing Day.<br><br>In the case of repurchases, within 2 Business Days of the relevant Dealing Day.  |
| <b>Valuation Point</b>  | 11:00 p.m. (Irish time) on the relevant Dealing Day.  |
| <b>Website</b>          | <a href="http://www.vaneck.com">www.vaneck.com</a> - Information on portfolio composition and details of the intra-day portfolio value ( <b>iNAV</b> ) are set out on the website.  |

## Description of the Shares

|                                     |   |
|-------------------------------------|---|
| <b>Share Class</b>                  | A   |
| <b>ISIN</b>                         | IE00BQQP9F84  |
| <b>Creation Unit</b>                | 50,000 Shares or such other amount as may be determined by the Directors at their discretion.   |
| <b>Minimum Initial Subscription</b> | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Initial Subscription. |
| <b>Minimum Holding</b>              | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Holding.              |

## 11 CHARGES AND EXPENSES

The following fees and expenses will be incurred by the Company on behalf of the Fund and will affect the Net Asset Value of the relevant Class of Share of the Fund:

|                    |   |
|--------------------|---|
| <b>Share Class</b> | A   |
| <b>Total Fee</b>   | Up to 0.53% per annum or such lower amount as may be advised to Shareholders from time to time. |

The Total Fee, a percentage of the Net Asset Value of the relevant Class of Shares (plus VAT, if any), is payable by the Company out of the Fund Assets to the Manager. The Total Fee will accrue on each day and will be calculated on each Dealing Day and paid monthly in arrears. The Total Fee will cover all of the ordinary fees, operating costs and expenses payable by the Fund including fees and expenses paid to the Manager, all ordinary costs and expenses connected with the management and operating activities of the Fund, including investment management and advisory fees, Director's fees, registration, transfer agency, administration and custody fees, registrar fees, regulators and auditors and certain legal expenses of the Company. The Total Fee does not include extraordinary costs and expenses (including but not limited to transaction charges, stamp duty or other taxes on the investments of the Company including duty charges for portfolio re-balancing, withholding taxes, commissions and brokerage fees incurred with respect to the Company's investments, interest on any non-overdraft credit facility and charges incurred in negotiating, effecting or varying the terms of such facility, any commissions charged by intermediaries in relation to an investment in the Fund and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the Company all of which will be paid separately out of the assets of the Fund).

This section entitled **Charges and Expenses** should be read in conjunction with the sections entitled **General Charges and Expenses** and **Management Charges and Expenses** in the Prospectus.

## 12 REGISTRATION FOR PUBLIC DISTRIBUTION AND LISTING

Application is expected to be made to register the Fund for public distribution in various countries.

Shares have been listed on Euronext Dublin and the London Stock Exchange. Through the operation of such a secondary market, persons who are not Authorised Participants or not able or willing to subscribe for and redeem Creation Units will be able to buy Shares from or sell Shares to other retail investors or market makers, broker/dealers, or other Authorised Participants at prices which should approximate, after currency conversion, the Net Asset Value of the Shares.

## 13 HOW TO BUY AND SELL SHARES

Investors can buy and sell Shares on the secondary market as described above in accordance with the procedures set out in the section entitled **Secondary Market** in the Prospectus.

Investors can otherwise subscribe for or redeem Creation Units in accordance with the procedures set out in the Prospectus.

## 14 SUSTAINABLE FINANCE DISCLOSURE

The Manager has categorised the Fund as meeting the provisions set out in Article 6 of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector ("**SFDR**") and does not follow a dedicated ESG investment strategy. The Fund does not have sustainable investment as its investment objective, nor does it promote environmental or social characteristics.

### 14.1 Sustainability risks

Sustainability risk is the risk that the value of an investment will decline as a result of an environmental, social or governance (ESG) event or circumstance. Ecological events include climate change, scarcity of natural resources and pollution. Social events may include labor issues and product liability. Governance can include themes such as shareholder rights, business ethics, diversity and executive remuneration. Sustainability risks can arise in all kinds of forms. With regard to the theme of climate, for example, there is a distinction between transition risks and physical risks, whereby transition risks can be divided into legal and regulatory risks, technological risks, market risks and reputation risks. In



addition, the impact of sustainability risk has various scopes, including company-specific, sector-specific and on country level. The occurrence of a sustainability risk results in other (financial) risks manifesting. This can negatively affect the value of the investment.

Concrete examples of sustainability risks for this Fund are: Mining companies are increasingly expected to demonstrate responsible stewardship. Not doing so can cause reputational damage or loss of access to shared resources such as land. This can negatively influence the value of the mining company. Also, a mining company's reputation can deteriorate as a result of negative publicity about a labor issue that can cause the value of its stock to decline. The expected impact of sustainability risks on the return depends on the type of sustainability risk that materializes. For mining companies, the expected impact is generally viewed as significant.

## **14.2 Sustainability risk integration features**

The Fund has a passive investment policy whereby the Fund aims to follow the Index as closely as possible. The relevant Index has no specific sustainability characteristics. The Fund therefore does not have any specific sustainability characteristics as well.

The Manager applies the following measures to integrate sustainability risks for this Fund:

### **Exclusions**

Exclusions apply to this Fund as further outlined in section 10 of the Prospectus.

### **Voting**

The Manager can exercise his voting rights at shareholders' meetings, according to the Proxy Voting Policy. To assist in its responsibility for voting proxies and the overall voting process, the Manager has engaged an independent third party proxy voting specialist, Glass Lewis Europe Limited, which takes also Environmental, Social and Governance factors into account when casting votes.

In particular, the Glass Lewis ESG voting policy is applied:

- On the Environmental side, within others, measures in favour of increased disclosure of a company's environmental risk through company-specific disclosure as well as compliance with international environmental conventions and adherence to environmental principles will be supported. Similarly, the ESG Policy will support proposals requesting companies develop greenhouse gas emissions reduction goals, comprehensive recycling. The ESG Policy will evaluate a company's impact on the environment, in addition to the regulatory risk a company may face by not adopting environmentally responsible policies. Further, the ESG Policy will consider voting against directors for not appropriately overseeing environmental risk.
- On the Social side, the ESG Policy will support several proposals, including but not limited to requesting that a company develop sustainable business practices, such as animal welfare policies, human rights policies, and fair lending policies. Furthermore, the ESG Policy will also generally support enhancing the rights of workers, as well as considering the communities and broader constituents in the areas in which companies do business.
- On the Governance side, the ESG Policy supports, within other aspects, increased shareholder participation and access to a company and its board of directors. Accordingly, the ESG Policy will vote in favour of initiatives that seek to enhance shareholder rights, such as the introduction of majority voting to elect directors, the adoption and amendment of proxy access bylaws, the elimination/reduction of supermajority provisions, the declassification of the board, the

submission of shareholder rights' plans to a shareholder vote, and the principle of one share, one vote.

## **Engagement**

The Manager appointed a third-party engagement specialist, Glass Lewis Europe Limited, for the passive equity funds managed by VanEck Asset Management B.V. The engagement provider determines the engagement approach in accordance with its engagement policy and based on its engagements' priorities.

### **14.3 Taxonomy Regulation Disclosure**

The underlying investments of the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

## **15 OTHER INFORMATION**

New Funds may be created from time to time by the Directors with the prior approval of the Central Bank in which case further Supplements incorporating provisions relating to those Funds will be issued by the Company.

The names of the Funds currently approved by the Central Bank are listed in the Global Addendum.

## SCHEDULE 1

### DISCLAIMERS

The Index is the exclusive property of MarketVector Indexes GmbH ("**MarketVector**"), a wholly owned subsidiary of the Manager, which has contracted with Solactive AG to maintain and calculate the Index. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards MarketVector, Solactive AG has no obligation to point out errors in the Index to third parties. The Fund is not sponsored, endorsed, sold or promoted by MarketVector and MarketVector makes no representation regarding the advisability of investing in the Fund. The Index is calculated weekdays between 01:00 and 22:40 (CET) and the Index values are disseminated to data vendors every 15 seconds on days when the US equity market is open for trading. The Index is disseminated in USD.

In accordance with Central Bank requirements, the Company and the Fund are required to provide details of the Index Provider's website to enable Shareholders to obtain further details of the Index (including the Index constituents). The Company and the Fund have no responsibility for the Index Provider's website and are not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof.

The indicative optimised portfolio value/intra-day portfolio value is calculated by S&P Global Ltd

**VANECK UCITS ETFs plc**

**Supplement dated 20 December 2024**

**for**

**VanEck Morningstar US ESG Wide Moat UCITS ETF**

This Supplement contains specific information in relation to the **VanEck Morningstar US ESG Wide Moat UCITS ETF** (the **Fund**), a sub-fund of **VanEck UCITS ETFs plc** (the **Company**), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank pursuant to the Regulations.

**This Supplement forms part of, may not be distributed unless accompanied by (other than to prior recipients of the Prospectus of the Company dated 20 December 2024, as may be amended, supplemented or modified from time to time), and should be read in conjunction with the Prospectus for the Company.**

THIS DOCUMENT IS IMPORTANT. YOU SHOULD NOT PURCHASE SHARES IN THE FUND DESCRIBED IN THIS SUPPLEMENT UNLESS YOU HAVE ENSURED THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT AND THE RISKS INVOLVED AND ARE SATISFIED THAT THE INVESTMENT IS SUITED TO YOUR CIRCUMSTANCES AND OBJECTIVES, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU ARE RECOMMENDED TO TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR.

The Directors of the Company whose names appear in the section entitled **Directors of the Company** in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Shares purchased on the secondary market cannot usually be sold directly back to the Fund. Investors must buy and sell Shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value when buying Shares and may receive less than the current Net Asset Value per Share when selling them.

Certain risks attached to investments in the Fund are set out in the Prospectus in the section entitled **Risk Factors**.

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## 1 IMPORTANT INFORMATION

**Profile of a typical investor** A typical investor is expected to be an informed investor who is able to bear capital and income risk, and should view investment in the Fund as a medium to long term investment. A typical investor is expected to be an investor who wishes to take exposure to the markets covered by the Fund's investment policy and is prepared to accept the risks associated with an investment of this type, including the volatility of such market.

**General** This Supplement sets out information in relation to the Shares and the Fund. You must also refer to the Prospectus which is separate to this document and describes the Company and provides general information about offers of shares in the Company. You should not take any action in respect of the Shares unless you have received a copy of the Prospectus. Should there be any inconsistency between the contents of the Prospectus and this Supplement, the contents of this Supplement will, to the extent of any such inconsistency, prevail. This Supplement and the Prospectus should both be carefully read in their entirety before any investment decision with respect to Shares is made.

The Shares of the Fund have been admitted to listing on the Official List and trading on the Regulated Market of Euronext Dublin. This Supplement together with the Prospectus includes all information required to be disclosed by Euronext Dublin listing requirements and comprise listing particulars for the purpose of listing the Shares of the Fund on Euronext Dublin.

Neither the admission of Shares of the Fund to listing on the Official List and to trading on the Regulated Market of Euronext Dublin nor the approval of the listing particulars pursuant to the listing requirements of Euronext Dublin shall constitute a warranty or representation by Euronext Dublin as to the competence of service providers to or any other party connected with the Fund, the adequacy of information contained in the listing particulars or the suitability of the Fund for investment purposes.

As of the date of this Supplement, the Company does not have any loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

### **Suitability of Investment**

You are advised to inform yourself as to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Shares.

The Shares are not principal protected. The value of the Shares may go up or down and you may not get back the amount you have invested. See the section entitled Risk Factors of the Prospectus and the section entitled Risk Factors of this Supplement for a discussion of certain risks that should be considered by you.

An investment in the Shares is only suitable for you if you are a sophisticated investor and (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

## **Distribution of this Supplement and Selling Restrictions**

Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus and is not authorised in any jurisdiction after publication of the audited annual report of the Company unless a copy of the then latest annual report and, if distributed after the semi-annual report has been produced, a copy of the then latest published semi-annual report and unaudited accounts is made available in conjunction with the Prospectus and this Supplement. The distribution of this Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. If you receive a copy of this Supplement and/or the Prospectus you may not treat such document(s) as constituting an offer, invitation or solicitation to you to subscribe for any Shares unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without compliance with any registration or other legal requirement other than those with which the Company has already complied. If you wish to apply for the opportunity to purchase any Shares it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile.

## **2 INVESTMENT OBJECTIVE AND POLICIES**

### **2.1 Investment Objective**

The Fund's investment objective is to track, before fees and expenses, the price and yield performance of the Morningstar® US Sustainability Moat Focus Index<sup>SM</sup> (the **Index**). For a further description of the Index see the section entitled **Information on the Index** below.

### **2.2 Investment Policy**

In order to seek to achieve its investment objective, the Manager will normally use a replication strategy by investing directly in the underlying equity securities of the Index. It is anticipated that the underlying equity securities of the Index will be primarily listed on US stock exchanges.

The Fund may only invest in companies that comply with the following ESG screenings: 1. All companies must have current ESG and controversy scores. 2. The controversy score must be 4 (out of 5) or lower throughout the trailing 3 years. 3. The ESG risk of the company should be medium, low or negligible. 4. Companies do not have a) any involvement in tobacco products b) any involvement in production of controversial weapons (as defined by third-party Sustainalytics Global Compact Compliance Service exclusionary lists) c) any involvement in the manufacturing of firearms sold to civilian customers, d) any involvement in extraction thermal coal, e) not have greater than 10% of its revenue from oil and gas production and oil and gas supporting products or services or f) not have greater than 50% of its combined revenue from oil and gas generation and coal power generation. Companies which do not comply with the screening criteria are excluded from the Index.

The Fund will seek the prior approval of the Central Bank should the Fund seek to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. In exceptional market circumstances, such as, but not limited to, a material price movement impacting the weighting of an underlying equity security of the Index or disruptive market conditions or extremely volatile markets, an underlying equity security of the Index which is held by the Fund may exceed the regulatory limits intra rebalancing dates which would result in the Fund seeking to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. Where it is not practical or cost efficient for the Fund to fully replicate the Index, the Manager may utilise an optimised sampling methodology and further detail in respect of this approach is set out in the section entitled Investment Approach below.

**The Fund may also (or alternatively) invest in financial derivative instruments (FDIs) which relate to the Index or constituents of the Index.** The FDIs which the Fund may use are futures, swaps, non-deliverable forwards (a forward contract that does not require settlement on maturity) (**NDFs**). Futures may be used in order to equitise cash balances pending investment of subscription proceeds or other cash balances held by the Fund to seek to reduce tracking error. NDFs may be used to hedge currency exposures. The Fund may use FDIs as an alternative to direct investment in the constituents of the Index in order to avail of the related cost or liquidity advantages of FDIs which may, in certain circumstances, be available over the direct investment in the constituents of the Index. The Fund may also use American depository receipts (**ADRs**), global depository receipts (**GDRs**) or participation notes (**P Notes**) to gain exposure to equity securities instead of using physical securities in circumstances where, due to local restrictions or quota limitations, it is not possible to hold these directly or where it is otherwise advantageous to the Fund to do so.

The Fund may also invest in ancillary liquid assets and money market instruments which may include bank deposits, depository receipts, certificates of deposit, fixed or floating rate instruments, commercial paper, floating rate notes and freely transferable promissory notes. The ancillary liquid assets, money market instruments and FDI (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus. Investment in ancillary liquid assets and money market instruments may be utilised in a variety of circumstances, including but not limited to, situations such as managing total exposure to cash and borrowing on a short term basis and in anticipation of participation in a rights offering.

## **2.3 Efficient Portfolio Management**

Investors should note that the Fund may also invest in FDIs for efficient portfolio management or hedging purposes. The Fund may use futures and swaps for the purpose of reducing risk associated with currency exposures within the Fund. This may on occasions lead to an increase in risk profile of the Fund or result in a fluctuation in the expected level of volatility. Please see the section entitled **Risk Factors** in the Prospectus in relation to such risks.

The Fund will employ the commitment approach to assess the Fund's global exposure and to ensure that the Fund's use of derivative instruments is within the limits specified by the Central Bank. Global exposure will be calculated daily. While the Fund may be leveraged through the use of the FDIs, any such leverage would not be in excess of 100% of the Fund's Net Asset Value.

Investment in FDIs is subject to the conditions and limits contained in the CBI UCITS Regulations. Subject to these limits, the Fund may invest in FDIs dealt on any of the regulated markets set out in the list of Markets in Appendix II to the Prospectus (and/or over the counter FDIs (OTCs)) which will be used for investment, efficient portfolio management and/or for hedging purposes.

The Company employs a risk management process which enables it to accurately measure, monitor and manage at any time the various risks associated with FDIs and their contribution to the overall risk profile of the portfolio of assets of the Fund. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments. The Fund will only invest in FDIs in accordance with the risk management policy prepared and submitted to the Central Bank in accordance with the Central Bank requirements.

The Fund may invest in FDIs dealt over-the-counter provided that the counterparties to over-the-counter transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.



Position exposure to the underlying assets of FDIs, including embedded FDIs in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the CBI UCITS Regulations.

In addition, the Fund may enter into stocklending, repurchase and reverse repurchase agreements for efficient portfolio management purposes only subject to the conditions and the limits set out in the CBI UCITS Regulations. Investors are referred to the section entitled **Use of Financial Derivative Instruments and Efficient Portfolio Management** in the Prospectus.

## **2.4 Securities Financing Transactions**

While the Company may enter into securities financing transactions and repurchase agreements (**SFTs**) (as defined under Article 3 (11) of Regulation (EU) 2015/2365) (the SFTR), it is not anticipated that the Fund will enter into any SFTs. However, in the event that the Fund contemplates entering into such transactions, investors will be provided with further details of the structure and use of such transactions, together with any other information required to be disclosed to investors in accordance with Articles 13 and 14 of the SFTR. The Supplement will be updated accordingly in the event that the Fund will enter into any SFTs.

## **3 INVESTMENT APPROACH**

In order to seek to achieve its investment objective, the investment policy of the Fund is to use a replication strategy by investing directly in the underlying equity securities that consists of the component securities of the Index. The Fund will be 'passively' managed.

Where full replication is not possible, the Fund will invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities that generally replicate the Index. However, under various circumstances, it may not be practicable and possible to invest in such equity securities in proportion to their weightings in the Index. It is not expected that the Fund would invest in securities outside the Index under normal circumstances. In extraordinary circumstances the Fund may use such other techniques including, but not limited to, representative or "optimised" sampling to gain access to stocks which provide economic characteristics similar to the security in the Index. There also may be instances, for example if one or more securities are suspended from trading or in situations where the Fund is forced to liquidate particular securities, in which the Manager may choose to overweight a security in the Index, purchase securities not in the Index which the Manager believes are appropriate to substitute for certain securities in the Index or utilise other investment techniques in seeking to replicate, before fees and expenses, the price and yield performance of the Index. The Fund may sell securities that are represented in the Index in anticipation of their removal from the Index or purchase securities not represented in the Index in anticipation of their addition to the Index.

Anticipated tracking error is based on the expected volatility of differences between the returns of the relevant fund and the returns of its benchmark index. For a physically replicating ETF, one of the primary drivers of tracking error is the difference between the Fund's holdings and index constituents. Cash management, trading costs from rebalancing and withholding tax suffered by the Fund on any income received from its Investments can also have an impact on tracking error as well as the return differential between the ETF and the benchmark index. The impact can be either positive or negative depending on the underlying circumstances. The anticipated tracking error of the Fund is not a guide to its future performance. The annualised tracking error envisaged is not anticipated to exceed 0.20% under normal market conditions.

## 4 INFORMATION ON THE INDEX

The Index is designed to provide exposure to at least 40 of the top equity securities in the Morningstar US Market Index (parent index) that are rated as wide moat companies (being a company which it is believed will have sustainability in its competitive advantage(s)) and have the lowest current market price/ fair value price determined in an independent research process by the Morningstar equity research team. Companies selected into the Index are compliant with Environmental, Sustainability and Governance (ESG) criteria based on the Morningstar Sustainability Rating which uses external data provided by Sustainalytics (a leading independent ESG and corporate governance research, ratings, and analytics firm) ESG research which aims to measure how well issuers proactively manage ESG issues that are the most material to their business.

To qualify for inclusion in the Morningstar® US Sustainability Moat Focus Index, all parent index constituents must meet the following criteria:

- (a) Company is assigned a wide moat classification by a Morningstar equity research analyst
- (b) Company is assigned a fair value price by a Morningstar equity research analyst
- (c) Company cannot be under review by a Morningstar equity research analyst at time of index review.
  - (i) A company may go under review, either because the analyst is incorporating new information into the valuation model or because of a transition in analyst coverage.
  - (ii) Morningstar equity research analysts strive to minimize the amount of time a fair value is under review, particularly for equity securities which have previously received a wide moat rating, and therefore it is expected to be rare for a stock to drop out of the index for this reason.

Following an assessment of the above criteria, each company is assigned an ESG and controversy score which is based on the Morningstar Sustainability Rating and external ESG data sources. To be eligible for inclusion in the Index, the relevant company must:

- (a) hold a controversy score (assessed based on severity of incidents, the corporations' accountability, and whether they form part of a pattern of corporate misconduct) of 4 (out of 5) or lower throughout the trailing 3 years;
- (a) ESG Risk Category must be "Medium", "Low" or "Negligible";
- (b) A company must
  - (i) not have any involvement in tobacco products;
  - (ii) not have any involvement in production of controversial weapons (as defined by third-party Sustainalytics Global Compact Compliance Service exclusionary lists);
  - (iii) not have any involvement in the manufacturing of firearms sold to civilian customers;
  - (iv) not have any involvement in the extraction of Thermal Coal;

- (v) not have greater than 10% of its revenue from oil and gas production and oil and gas supporting products or services;
- (vi) not have greater than 50% of its combined revenue from oil and gas generation and coal power generation.

The Sustainalytics company-level ESG Risk Score measures the degree to which a company's economic value may be at risk driven by materially relevant ESG factors. The ESG Risk Score is based on a two dimensional materiality framework that measures a company's exposure to subindustry-specific material risks and how well a company is managing those risks. ESG Risk Scores are categorized across five risk levels: negligible, low, medium, high and severe. The scale is from 0-100, with 100 being the most severe. Sustainalytics controversy scores are determined based on ESG-related incidents, which are assessed through a framework that considers the severity of incidents, the corporation's accountability and whether the incidents form part of a pattern of corporate misconduct; a Sustainalytics controversy score of five indicates a severe controversy rating.

The stocks that meet all of the above criteria are considered for inclusion in the Morningstar US Sustainability Moat Focus Index. Fair value is determined by employing the Morningstar equity research methodology which requires a review of the estimated future cash flows and estimated costs of capital of a company to assign a valuation to the relevant equity security. The Index applies a liquidity screen which excludes companies from inclusion in the Index where the non-index constituents has a three-month average daily trading value of less than 5 Million USD (or equivalent currency). A buffer rule is applied to the current Index constituents. Those that are ranked in the top 150% of stocks representing the lowest current market price/fair value price eligible for inclusion in the Index will remain in the Index at the time of reconstitution and those that fall outside of the top 150% are excluded from the Morningstar US Sustainability Moat Focus Index. The maximum weight of an individual sector in the Index is capped at 10% more than its corresponding weight in the Morningstar US Market Index at the time of reconstitution, or 40%, whichever is higher.

The Index employs a staggered rebalance methodology. The Index is divided into two sub-portfolios and each is reconstituted and rebalanced yearly on an alternating basis. Each sub-portfolio will contain approximately 40 equally-weighted securities at the time of its annual reconstitution. Due to the staggered rebalance methodology, constituents and weightings may vary between sub-portfolios. Sub-portfolio weights are reset to 50% of the total Index weight every twelve months in June. Adjustments to one sub-portfolio are performed after the close of business on the third Friday in June and adjustments to the other sub-portfolio are performed after the close of business on the third Friday in December, and all adjustments are effective on the following Monday. If the Monday is a market holiday, reconstitution and rebalancing occurs on the immediately following business day.

## 5 INDEX PROVIDER

The Index is published by Morningstar, Inc. (the Index Provider). The Index Provider does not sponsor, endorse, or promote the Fund and bears no liability with respect to the Fund or any security. As at the date of this Supplement, the administrator of the Index is availing of the transitional arrangements afforded under the Benchmarks Regulation. Accordingly, it does not appear on the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation.

Morningstar® is a registered trademark of the Index Provider. Morningstar® US Sustainability Moat Focus Index<sup>SM</sup> is a service mark of the Index Provider. The Index Provider is a leading provider of independent investment research in North America, Europe, Australia, and Asia. The Index Provider offers an extensive line of internet, software, and print-based products and services for individuals, financial advisors, and institutions. The Index is rooted in the Index Provider's proprietary research and

is based on a transparent, rules-based methodology. Presently, the Index Provider has developed and is maintaining a number of indexes in addition to the Index.

## **6 INVESTMENT RESTRICTIONS**

The general investment restrictions as set out in the Prospectus shall apply. The Fund may not invest more than 10% of its Net Asset Value in open-ended collective investment schemes.

The Fund may not invest less than 51% of its Net Asset Value in equity securities which constitute “equity participation” within the meaning of section 2, Article 8 of the German Investment Tax Act (Investmentsteuergesetz). Equity participation in this context consists of shares in corporations traded or admitted for trading on a regulated market or multilateral trading facility (**MTF**) considered as such by the European Securities and Markets Authority (**ESMA**). The actual equity participation ratios of target investment funds can be taken into account.

There may be instances where the weighting of any constituent security of the Index could cause the Fund to breach the investment restrictions set out in the Prospectus. If such an event occurs, it is intended that the Fund will purchase other assets, the effect of which will seek to maintain, so far as is possible, the same economic exposure to and the same weighting of the security of that issuer in the Index without breaching its investment restrictions.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders.

## **7 BORROWING**

The Fund may borrow money in an amount up to 10% of the market value of its net assets at any time for the account of any Fund and the Depositary may charge the assets of the Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Fund may acquire currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of the Regulations provided that the offsetting deposit is denominated in the Base Currency of the Fund and equals or exceeds the value of the foreign currency loan outstanding.

## **8 RISK FACTORS**

The general risk factors as set out in the section entitled Risk Factors in the Prospectus apply.

Investors in the Fund should be willing to accept a high degree of volatility in the price of the Fund’s Shares and the possibility of significant losses. An investment in the Fund involves a substantial degree of risk. Therefore, you are advised to consider carefully the following risks before investing in the Fund.

An investment in the Fund may be subject to risks which include, among others, material transaction cost from rebalancing activity and fluctuations in the value of securities held by the Fund due to market and economic conditions or factors relating to specific issuers.

The value of investments and the income from them, and therefore the value of and income from the Shares can go down as well as up and an investor may not get back the amount invested. The Fund’s exposure is based on the performance of the Index securities which, in turn, is exposed to general market movements (negative as well as positive).

Certain additional risks may also be associated with the Fund, including, without limitation:

## **8.1 ESG Investing Strategy Risk**

The Fund's ESG strategy could cause it to perform differently compared to funds that do not have an ESG focus. The Fund's ESG strategy may result in the Fund investing in securities or industry sectors that underperform other securities or underperform the market as a whole. The companies included in the Index may differ from companies included in other indices that use similar ESG screens. The Fund is also subject to the risk that the companies identified by the Index Provider do not operate as expected when addressing ESG issues. Additionally, the Index Provider's proprietary valuation model may not perform as intended, which may adversely affect an investment in the Fund. Regulatory changes or interpretations regarding the definitions and/or use of ESG criteria could have a material adverse effect on the Fund's ability to invest in accordance with its ESG strategy.

## **8.2 Limited Diversification Risk**

The Fund may invest a relatively high percentage of its assets in a smaller number of issuers or may invest a larger proportion of its assets in a single issuer. As a result, the gains and losses on a single investment may have a greater impact on the Fund's Net Asset Value and may make the Fund more volatile than more diversified funds.

## **8.3 Risk of Investing in the Information Technology Sector**

The information technology sector includes software developers, providers of information technology consulting and services and manufacturers and distributors of computers, peripherals, communications equipment and semiconductors. Information technology companies face intense competition, both domestically and internationally, which may have an adverse effect on profit margins. Information technology companies may have limited product lines, markets, financial resources or personnel. The products of information technology companies may face product obsolescence due to rapid technological developments and frequent new product introduction, unpredictable changes in growth rates and competition for the services of qualified personnel. Companies in the information technology sector are heavily dependent on patent protection and the expiration of patents may adversely affect the profitability of these companies.

## **8.4 Risk of Investing in the Health Care Sector**

The health care sector includes companies that manufacture health care equipment and supplies or provide health care-related services, as well as those that are involved in the research, development, production and marketing of pharmaceuticals and biotechnology. In the event that the Companies in the healthcare sector may be affected by extensive government regulation, restrictions on government reimbursement for medical expenses, rising costs of medical products and services, pricing pressure, an increased emphasis on outpatient services, limited number of products, industry innovation, changes in technologies and other market developments. Many healthcare companies are heavily dependent on patent protection and are subject to extensive litigation based on product liability and similar claims. The expiration of patents may adversely affect the profitability of these companies. Health care companies are subject to competitive forces that may make it difficult to raise prices and, in fact, may result in price discounting. Many new products in the health care sector may be subject to regulatory approvals. The process of obtaining such approvals may be long and costly. Companies in the health care sector may be thinly capitalised and may be susceptible to product obsolescence.

## **8.5 Risk of Investing in the Energy Sector**

The energy sector includes companies engaged in the exploration, production and distribution of energy sources and companies that manufacture or provide related equipment or services. Companies operating in the energy sector are subject to risks including, but not limited to, economic growth,

worldwide demand, political instability in the regions that the companies operate, government regulation stipulating rates charged by utilities, interest rate sensitivity, oil price volatility and the cost of providing the specific utility services. In addition, these companies are at risk of civil liability from accidents resulting in injury, loss of life or property, pollution or other environmental damage claims and risk of loss from terrorism and natural disasters.

#### **8.6 Risk of Investing in the Consumer Discretionary Sector**

The consumer discretionary sector includes automotive, household durable goods and apparel manufacturers and companies that provide retail, lodging, leisure or food and beverage services. Companies engaged in the consumer discretionary sector are subject to fluctuations in supply and demand. These companies may also be adversely affected by changes in consumer spending as a result of world events, political and economic conditions, commodity price volatility, changes in exchange rates, imposition of import controls, increased competition, depletion of resources and labour relations.

#### **8.7 Risk of Investing in the Consumer Staples Sector**

The consumer staples sector includes, among others, manufacturers and distributors of food, beverages and tobacco, food and medicine retailers and products of non-durable household goods and consumer products. These companies may be adversely affected by changes in the worldwide economy, consumer spending, competition, demographics and consumer preferences, exploration and production spending. These companies are subject to government regulation affecting their products which may negatively impact such companies performance.

#### **8.8 Risk of Investing in the Financial Services Sector**

Companies in the financial services sector may be subject to extensive government regulation that affects the scope of their activities, the prices they can charge and the amount of capital they must maintain. The profitability of companies in the financial services sector may be adversely affected by increases in interest rates, by loan losses, which usually increase in economic downturns, and by credit rating downgrades. In addition, the financial services sector is undergoing numerous changes, including continuing consolidations, development of new products and structures and changes to its regulatory framework. Furthermore, some companies in the financial services sector perceived as benefitting from government intervention in the past may be subject to future government-imposed restrictions on their businesses or face increased government involvement in their operations. Increased government involvement in the financial services sector, including measures such as taking ownership positions in financial institutions, could result in a dilution of each Fund's investments in financial institutions. Recent developments in the credit markets may cause companies operating in the financial services sector to incur large losses, experience declines in the value of their assets and even cease operations.

#### **8.9 Risk of Investing in the Industrials Sector**

Companies in the industrials sector may be adversely affected by changes in government regulation, world events and economic conditions. In addition, companies in the industrials sector may be adversely affected by environmental damages, product liability claims and exchange rates. The stock prices of companies in the industrials sector are affected by supply and demand both for their specific product or service and for industrial sector products in general. The products of manufacturing companies may face product obsolescence due to rapid technological developments and frequent new product introduction. In addition, the industrials sector may also be adversely affected by changes or trends in commodity prices, which may be influenced or characterised by unpredictable factors.

## **8.10 Risk of Issuer-Specific Changes**

The value of individual securities or particular types of securities in the Fund's portfolio can be more volatile than the market as a whole and can perform differently from the value of the market as a whole, which may have a greater impact if the Fund's portfolio is concentrated in a country, group of countries, region, market or asset class. The value of securities of smaller issuers can be more volatile than that of larger issuers. A change in the financial condition, market perception or the credit rating of an issuer of securities included in the Index may cause the value of its securities to decline.

## **8.11 Foreign Currency Risk**

In the event that the Fund's assets are invested in securities denominated in currencies other than the Base Currency, all or a portion of the proceeds received by the Fund from its investments and/or the revenues received from such underlying issuer will generally not be in the Base Currency. The Fund's exposure to foreign currencies and changes in the value of foreign currencies versus the Base Currency may result in reduced returns for the Fund. Moreover, the Fund may incur costs in connection with conversions between the Base Currency and foreign currencies. The value of an emerging market country's currency may be subject to a high degree of fluctuation. This fluctuation may be due to changes in interest rates, investors' expectations concerning inflation and interest rates, the emerging market country's debt levels and trade deficit, the effects of monetary policies issued by foreign governments, central banks or supranational entities, the imposition of currency controls or other national or global political or economic developments. The economies of certain emerging market countries can be significantly affected by currency devaluations. Certain emerging market countries may also have managed currencies which are maintained at artificial levels relative to the Base Currency rather than at levels determined by the market. This type of system could lead to sudden and large adjustments in the currency, which in turn, can have a negative effect on the Fund and its investments.

## **8.12 Equity Securities Risk**

The value of the equity securities held by the Fund may fall due to general market and economic conditions, perceptions regarding the markets in which the issuers of securities held by the Fund participate, or factors relating to specific issuers in which the Fund invests. For example, an adverse event, such as an unfavourable earnings report, may result in a decline in the value of equity securities of an issuer held by the Fund; the price of the equity securities of an issuer may be particularly sensitive to general movements in the securities markets; or a drop in the securities markets may depress the price of most or all of the equity securities held by the Fund. Equity securities are subordinated to preferred securities and debt in a company's capital structure with respect to priority in right to a share of corporate income, and therefore will be subject to greater dividend risk than preferred securities or debt instruments. In addition, while broad market measures of equity securities have historically generated higher average returns than fixed income securities, equity securities have also experienced significantly more volatility in those returns. A change in the financial condition, market perception or the credit rating of an issuer of securities included in the Fund's index may cause the value of its securities to decline.

## **8.13 Risk of Investing in Small- and Medium-Capitalization Companies**

The securities of small- and medium-capitalisation companies may be more volatile and less liquid than the securities of large companies. As securities of small- and medium-capitalisation companies may experience more market price volatility than securities of larger companies, the net asset value of any fund which invests in small- and medium-capitalisation companies (such as the Fund) may reflect this volatility. Small- and medium-capitalisation companies, when compared with larger companies, may have a shorter history of operations, fewer financial resources, less competitive strength, may have a

less diversified product line, may be more susceptible to market pressure and may have a smaller market for their securities. Investment in small- and medium-capitalisation companies may involve comparatively higher investment costs and accordingly investment in the Fund should be viewed as a long term investment. The Fund may however dispose of an investment made by it within a relatively short period of time, for example, to meet requests for redemption of Shares.

#### 8.14 Concentration Risk

The Fund's assets may be concentrated in a particular sector or sectors or industry or group of industries to the extent the Index concentrates in a particular sector or sectors or industry or group of industries. Accordingly, the Fund may be subject to the risk that economic, political or other conditions that have a negative effect on a particular industry or sector will negatively impact the Fund to a greater extent than if the Fund's assets were invested in a wider variety of sectors or industries.

The Fund may be particularly vulnerable to this risk because the Index is comprised of securities of a very limited number of issuers.

The Fund's assets will be concentrated in a small number of stocks of minimum 40 US companies and may be concentrated in particular sectors which may subject the Fund to more risk than investments in a diverse group of companies and sectors.

#### 8.15 Portfolio Turnover Risk

It is anticipated that the Fund will have high portfolio turnover in seeking to track the Index, which will result in increased transaction costs to the Fund, including brokerage commissions, dealer mark-ups and other transaction costs on the sale of the securities and on reinvestment in other securities.

### 9 DIVIDEND POLICY

It is not proposed that the Directors will declare a dividend in respect of the Fund. Full details of any change to the Fund's dividend policy will be provided in an updated Supplement and all Shareholders will be notified in advance.

### 10 KEY INFORMATION FOR PURCHASING AND SELLING

|                         |   |
|-------------------------|---|
| <b>Base Currency</b>    | US Dollar (USD)   |
| <b>Business Day</b>     | means every day other than a Saturday or Sunday (or such other day(s) as the Directors may from time to time determine and notify in advance to Shareholders).  |
| <b>Dealing Day</b>      | In general, each Business Day will be a Dealing Day. However, certain Business Days will not be Dealing Days where, in the sole determination of the Manager: (i) markets on which the Fund's investments are listed or traded, or markets relevant to the Index are closed, and/or (ii) there is a public holiday in the jurisdiction in which the Manager or its delegate(s), if applicable, is or are based; provided there is at least one Dealing Day per fortnight. The Dealing Days for the Fund are available at <a href="http://www.vaneck.com">www.vaneck.com</a> . |
| <b>Dealing Deadline</b> | 4:00 p.m. (Irish time) on the relevant Dealing Day.   |



|                        |  |
|------------------------|--|
| <b>Settlement Date</b> | In the case of subscription(s), within 2 Business Days of the relevant Dealing Day.<br><br>In the case of repurchases, within 2 Business Days of the relevant Dealing Day. |
| <b>Valuation Point</b> | 11:00 p.m. (Irish time) on the relevant Dealing Day.   |
| <b>Website</b>         | Information on portfolio composition and details of intra-day portfolio value (iNAV) are set out on the website - <a href="http://www.vaneck.com">www.vaneck.com</a>       |

#### Description of the Shares

|                                     |   |
|-------------------------------------|---|
| <b>Share Class</b>                  | A   |
| <b>ISIN</b>                         | IE00BQQP9H09  |
| <b>Creation Unit</b>                | 50,000 Shares or such other amount as may be determined by the Directors at their discretion.   |
| <b>Minimum Initial Subscription</b> | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Initial Subscription. |
| <b>Minimum Holding</b>              | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Holding.              |

## 11 CHARGES AND EXPENSES

The following fees and expenses will be incurred by the Company on behalf of the Fund and will affect the Net Asset Value of the relevant Class of Share of the Fund:

|                    |  |
|--------------------|--|
| <b>Share Class</b> | A  |
| <b>Total Fee</b>   | Up to 0.49 % per annum or such lower amount as may be advised to Shareholders from time to time. |

The Total Fee, a percentage of the Net Asset Value of the relevant Class of Shares (plus VAT, if any), is payable by the Company out of the Fund Assets to the Manager. The Total Fee will accrue on each day and will be calculated on each Dealing Day and paid monthly in arrears. The Total Fee will cover all of the ordinary fees, operating costs and expenses payable by the Fund including fees and expenses paid to the Manager, all ordinary costs and expenses connected with the management and operating activities of the Fund, including investment management and advisory fees, Director's fees, registration, transfer agency, administration and custody fees, registrar fees, regulators and auditors and certain legal expenses of the Company. The Total Fee does not include extraordinary costs and expenses (including but not limited to transaction charges, stamp duty or other taxes on the investments of the Company including duty charges for portfolio re-balancing, withholding taxes, commissions and brokerage fees incurred with respect to the Company's investments, interest on any non-overdraft credit facility and charges incurred in negotiating, effecting or varying the terms of such facility, any

commissions charged by intermediaries in relation to an investment in the Fund and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the Company all of which will be paid separately out of the assets of the Fund).

This section entitled **Charges and Expenses** should be read in conjunction with the sections entitled **General Charges and Expenses** and **Management Charges and Expenses** in the Prospectus.

## **12 REGISTRATION FOR PUBLIC DISTRIBUTION AND LISTING**

Application is expected to be made to register the Fund for public distribution in various countries.

While Shares have been listed on Euronext Dublin and other stock exchanges. Through the operation of such a secondary market, persons who are not Authorised Participants or not able or willing to subscribe for and redeem Creation Units will be able to buy Shares from or sell Shares to other retail investors or market makers, broker/dealers, or other Authorised Participants at prices which should approximate, after currency conversion, the Net Asset Value of the Shares.

## **13 HOW TO BUY AND SELL SHARES**

Investors can buy and sell Shares on the secondary market as described above in accordance with the procedures set out in the section entitled **Secondary Market** in the Prospectus.

Investors can otherwise subscribe for or redeem Creation Units in accordance with the procedures set out in the Prospectus.

## **14 SUSTAINABLE FINANCE DISCLOSURE**

The Manager has categorised the Fund as meeting the provisions set out in Article 8 of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector ("SFDR") for products which promote environmental and/or social characteristics and invest in companies that follow good governance practices, as further described in Annex I of this Supplement. The Fund does not have sustainable investment as its investment objective.

### **14.1 E&S Characteristics**

The following environmental and social characteristics apply to the Fund's investments:

- (a) The Fund promotes the reduction of the most negative impacts on society and the environment through:
  - (i) Exposure to ESG risks is reduced by excluding companies with high or severe levels of ESG risks.
  - (ii) Exposure to controversies and controversial business activities is limited by means of revenue-based screening and exclusion of companies involved in severe UNGC violations and other controversies.
- (b) The Glass Lewis ESG policy guidelines is applied, whereby casted votes concern sustainability matters.

A reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by the Fund.

Compared to a non-ESG fund with similar exposure, this Fund applies mandatory Environmental and Social factors and limits. These are corresponding to the Principle Adverse Impacts specified in the Annex.

## **14.2 Sustainability Risks**

Sustainability risk is the risk that the value of an investment will decline as a result of an environmental, social or governance (ESG) event or circumstance. Ecological events include climate change, scarcity of natural resources and pollution. Social events may include labor issues and product liability. Governance can include themes such as shareholder rights, business ethics, diversity and executive remuneration. Sustainability risks can arise in all kinds of forms. With regard to the theme of climate, for example, there is a distinction between transition risks and physical risks, whereby transition risks can be divided into legal and regulatory risks, technological risks, market risks and reputation risks. In addition, the impact of sustainability risk has various scopes, including company-specific, sector-specific and on country level. The occurrence of a sustainability risk results in other (financial) risks manifesting. This can negatively affect the value of the investment.

Concrete examples of sustainability risks for the Fund are a company has an overly generous remuneration policy or a remuneration policy that is inconsistent with the interests of the shareholders. Also, a company's reputation can deteriorate as a result of negative publicity about an environmental or labor issue that can cause the value of its stock to decline. The expected impact of sustainability risks on the return depends on the type of sustainability risk that materializes. For developed markets equity portfolios, this expected impact is generally viewed as significant.

## **14.3 Sustainability Risk Integration Features**

The Fund has a passive investment policy whereby the Fund aims to follow the Index as closely as possible. In the composition of the index, account is taken of sustainability risks. The Manager applies the following measures to integrate sustainability risks for this Fund:

### **Exclusions**

Exclusions apply to this Fund as further outlined in section 2.2 of this Supplement and section 10 of the Prospectus

### **Voting**

The Manager can exercise his voting rights at shareholders' meetings, according to the Proxy Voting Policy. To assist in its responsibility for voting proxies and the overall voting process, the Manager has engaged an independent third party proxy voting specialist Glass Lewis Europe Limited, which takes also Environmental, Social and Governance factors into account when casting votes.

In particular, the Glass Lewis ESG voting policy is applied:

- (a) On the Environmental side, within others, measures in favour of increased disclosure of a company's environmental risk through company-specific disclosure as well as compliance with international environmental conventions and adherence to environmental principles will be supported. Similarly, the ESG Policy will support proposals requesting companies develop greenhouse gas emissions reduction goals, comprehensive recycling. The ESG Policy will evaluate a company's impact on the environment, in addition to the regulatory risk a company may face by not adopting environmentally responsible policies. Further, the ESG Policy will consider voting against directors for not appropriately overseeing environmental risk.

- (b) On the Social side, the ESG Policy will support several proposals, including but not limited to requesting that a company develop sustainable business practices, such as animal welfare policies, human rights policies, and fair lending policies. Furthermore, the ESG Policy will also generally support enhancing the rights of workers, as well as considering the communities and broader constituents in the areas in which companies do business.
- (c) On the Governance side, the ESG Policy supports, within other aspects, increased shareholder participation and access to a company and its board of directors. Accordingly, the ESG Policy will vote in favour of initiatives that seek to enhance shareholder rights, such as the introduction of majority voting to elect directors, the adoption and amendment of proxy access bylaws, the elimination/reduction of supermajority provisions, the declassification of the board, the submission of shareholder rights' plans to a shareholder vote, and the principle of one share, one vote.

### **Engagement**

The Manager appointed a third-party engagement specialist, Glass Lewis Europe Limited, for the passive equity funds managed by VanEck Asset Management B.V. The engagement provider determines the engagement approach in accordance with its engagement policy and based on its engagements' priorities.

## **15 OTHER INFORMATION**

New Funds may be created from time to time by the Directors with the prior approval of the Central Bank in which case further Supplements incorporating provisions relating to those Funds will be issued by the Company.

The names of the Funds currently approved by the Central Bank are listed in the Global Addendum.

## SCHEDULE 1

### DISCLAIMER

The Manager has entered into a licensing agreement with Morningstar to use the Morningstar® US Sustainability Moat Focus Index<sup>SM</sup>. VanEck Morningstar US Sustainable Wide Moat UCITS ETF (the **Fund**) is entitled to use the Morningstar US Sustainability Moat Focus Index pursuant to a sub-licensing arrangement with the Manager.

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

MORNINGSTAR DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE MORNINGSTAR US SUSTAINABILITY MOAT FOCUS INDEX OR ANY DATA INCLUDED THEREIN AND MORNINGSTAR SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. MORNINGSTAR MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE ADVISER, SHAREHOLDERS OF THE FUND, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE US SUSTAINABILITY MOAT FOCUS INDEX OR ANY DATA INCLUDED THEREIN. MORNINGSTAR MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE US SUSTAINABILITY MOAT FOCUS INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL MORNINGSTAR HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

### Intellectual Property - Role of Morningstar

The Morningstar® US Sustainability Moat Focus Index<sup>SM</sup> was created and is maintained by Morningstar, Inc. ("Morningstar"). Morningstar does not sponsor, endorse, issue, sell, or promote the Fund and bears no liability with respect to that ETF or any security. Morningstar® is a registered trademark of Morningstar and Morningstar® US Sustainability Moat Focus Index<sup>SM</sup> is a service mark of Morningstar.

In accordance with Central Bank requirements, the Company and the Fund are required to provide details of the Index Provider's website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company and the Funds have no responsibility for the Index Provider's website and are not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof.

The indicative optimized portfolio value/intra-day portfolio value is calculated by S&P Global Ltd.

## ANNEX I

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** VanEck Morningstar US ESG Wide Moat UCITS ETF  
**Legal entity identifier:** 549300JHVM3IG26SW860

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☐ ☐ **Yes**

☐ ☒ ☒ **No**

☐ It will make a minimum of **sustainable investments with an environmental objective: \_\_\_\_%**

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective: \_\_\_\_%**

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**



### What environmental and/or social characteristics are promoted by this financial product?

The following environmental and social characteristics apply to the Fund's investments:

- The Fund promotes the reduction of the most negative impacts on society and the environment through:
  - Exposure to ESG risks is reduced by excluding companies with high or severe levels of ESG risks.
  - Exposure to controversies and controversial business activities is limited by means of of revenue-based screening and exclusion of companies involved in severe UNGC violations and other controversies.
- The Glass Lewis ESG policy guidelines is applied, whereby casted votes concern sustainability matters.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

A reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by the financial product.  
Compared to a non-ESG fund with similar exposure, this Fund applies mandatory Environmental and Social factors and limits. These are corresponding to the Principle Adverse Impacts specified below.

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The Fund measures the following sustainability indicators:

| Indicator   |
|---|
| Carbon Footprint (Scope 1+2+3) Mio EUR Enterprise Value   |
| The GHG Intensity (t CO2e/\$M Revenue)  |
| The percentage of companies violating UNGC principles and/or OECD Multinational Enterprise Guidelines |

● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

This question and the related questions below are not applicable as the Fund does not intend to make sustainable investments.

● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Not applicable.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Not applicable.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.





### Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, the Fund considers principal adverse impacts on sustainability factors.

☐ No

The Fund considers the following principal adverse impacts on sustainability factors:

1. Greenhouse Gas (GHG Emissions):
  - Part of Global Standards screen "Energy Use and Greenhouse Gas Emissions"
  - Excludes companies with Involvement (>0% Revenue) in Thermal Coal extraction or power generation
  - Excludes companies with Involvement (>10% Revenue) in Oil and Gas production or Supporting Products and Services as well as combined Involvement (>50% Revenue) from Oil, Gas and Thermal Coal power generation
2. Biodiversity
  - Part of Global Standards screen "Land Use and Biodiversity"
3. Water
  - Part of Global Standards screen "Discharges and Releases (Water)"
4. Waste
  - Part of Global Standards screen "Degradation & Contamination (Land)"
5. Social and employee, respect for human rights, anti-corruption and anti-bribery matters
  - Global Standards screening includes ratings for controversial practices that have adverse impacts on society and the environment in line with established expectations for Responsible Business Conduct as set forth in the core normative framework consisting of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights, all of which are embedded in the Sustainable Development Goals.
  - Part of the Social and Governance components of the Global Standards screening
  - Controversial weapons screenings are performed whereby companies with any exposure are excluded from the index.

Additionally, principal adverse impacts are considered as part of the ESG tilted voting policy, whereby casted votes regard the environment, energy efficiency, the use of renewable energy sources, enhancing the rights of workers, violation of international human rights standards, gender pay inequity and board diversity.

A description on how the Fund has considered Principal Adverse Impacts on sustainability factors in the preceding year is included in the Fund's annual report.



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

### What investment strategy does this financial product follow?

The Fund replicates the overall performance (before fees and expenses) of the Morningstar® US Sustainability Moat Focus Index, which targets attractively priced US companies with sustainable competitive advantages according to Morningstar's equity research team, subject to ESG screening based on Sustainalytics data. In addition, an Glass Lewis ESG-tilted voting policy is applied, whereby casted votes in shareholder meetings of companies in the portfolio concern sustainability matters.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Fund's investments must comply with the following binding elements:

1. Exclusion based on severe controversies: controversy score must be 4 (out of 5) or lower through the trailing 3 years;
2. Exclusion based on high and severe ESG risk companies: ESG risk score must be <30;
3. Exclusions based on violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises;
4. Exclusion based on product involvement: tobacco (>0% revenues), controversial weapons (>0%), civilian firearms (>0%), thermal coal (>0%), oil and gas production / supporting products and services (>10%), oil and gas generation and coal power generation (>50% of combined revenue).

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Fund does not commit to a minimum rate to reduce the scope of investments prior to the application of the investment strategy.

● ***What is the policy to assess good governance practices of the investee companies?***

Good governance relates to sound management structures, employee relations, remuneration of staff and tax compliance.

Governance subjects are considered as part of the financial analysis in the index construction when evaluating companies' perceived fair value. Additionally, Sustainalytics' Global Standards screening is based on the UN Global Compact Principles, OECD, World Governance Indicators and industry-specific standards or initiatives. Governance factors such as Tax avoidance/evasion, Accounting Irregularities and Accounting Fraud, Lobbying and Public Policy, Insider Trading, Bribery and Corruption, Animal Welfare, Intellectual Property, Resilience, Remuneration, Shareholder disputes and rights, Board composition and other Corporate Governance and Business Ethics criteria are part of the Controversy Screening embedded in the fund's underlying index. Governance Factors also comprise a part of the aggregate ESG risk score, which is used in the index selection.



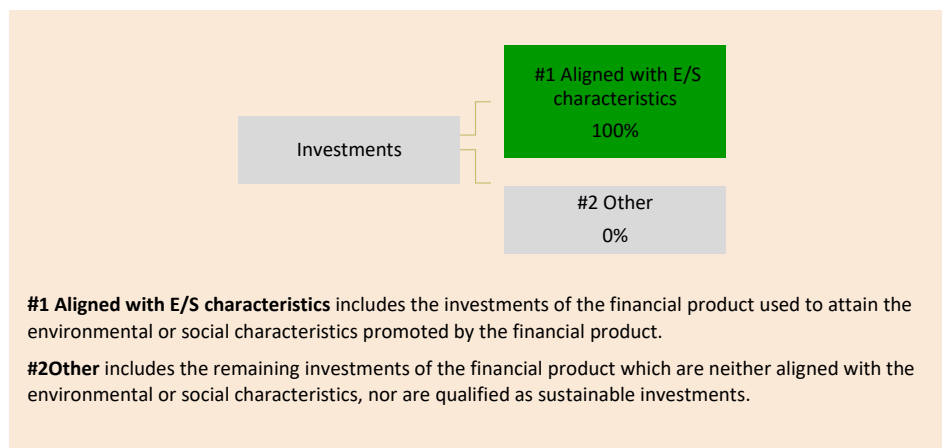
**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

## What is the asset allocation planned for this financial product?

The Fund invests in direct financial instruments of which 100% is aligned with the environmental and social characteristics that it promotes.



## How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund does not invest in derivatives. Therefore this question is not applicable.



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the Fund promotes environmental and social characteristics within the meaning of Article 8 of the SFDR, it does not currently commit to investing in any "sustainable investments" within the meaning of the SFDR. It should be noted that the investments underlying this Fund do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation and, as such, the Fund's portfolio alignment with such Taxonomy Regulation is not calculated. It follows that the minimum extent of sustainable investments with an aligned environmental objective aligned with the Taxonomy Regulation is currently 0%.

The "do no significant harm" principle applies only to those investments underlying the Fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

## Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?

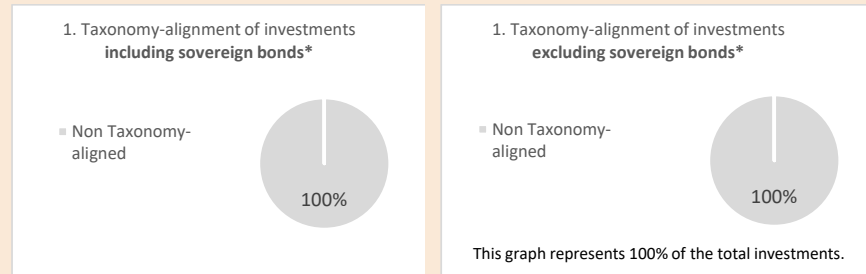
☐ Yes:

☐ In fossil gas In ☐ nuclear energy

☒ No

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

- **What is the minimum share of investments in transitional and enabling activities?**  
The minimum share of investments in transitional and enabling activities is 0%.



- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**  
The minimum share of non-aligned environmental sustainable investments is 0%.



- **What is the minimum share of socially sustainable investments?**  
The minimum share of socially sustainable investments is 0%.



- **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**  
Not applicable, all investments are aligned with the environmental and social characteristics.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

As a passive investments strategy, the Fund has designated the Morningstar US Sustainable Moat Focus Index as reference benchmark to meet the environmental and social characteristics that it promotes.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Sustainability factors are considered as part of screenings that are included in the reference benchmark and assessed at any rebalancing of the underlying Index. By means of the ESG Risk score, Global Standards controversy ratings and Controversial sector involvement screenings, the Fund takes sustainability factors relating to greenhouse gas emissions, biodiversity, water, waste, social and employee, respect for human rights, anti-corruption and anti-bribery matters into account.

For detailed information, please refer to the question “Does this financial product consider principal adverse impacts on sustainability factors?”.

● ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

In order to seek to achieve its investment objective, the investment policy of the Fund is to use a replication strategy by investing directly in the underlying equity securities that consists of the component securities of the Index. The Fund is passively managed. The Fund's Manager, in order to ensure the alignment with the ESG characteristics that it promotes, monitors that the holdings are screened against the underlying Index's exclusion by means of:

- Replication by the Portfolio Management Team of the Index based on the Index rules. Those also contain the requirements related to Norm-based research and Controversial sector involvement screenings (tobacco, fossil fuels, thermal coal mining, gambling, oil sands, civilian firearms, military equipment and services, and nuclear power), as coded in the Bloomberg Compliance Manager system. The Index components are periodically rebalanced by the Index provider.
- Reporting of any breaches of the Index rules by the Legal and Compliance Team, in line with VanEck's policies and procedures, which are established to assess the alignment of the funds' investments with the Index and to undertake recovery measures where necessary.
- Periodic confirmation on ESG integration by the Index provider as part of the regular due diligence.
- Establishment of an ESG Committee which periodically reviews the compliance of the Fund's characteristics with the current regulation and which goal is to establish, maintain and further develop and monitor ESG strategies offered by VanEck. The ESG Committee is composed by the managing directors and at least one member of each department.
- Appointment of a proxy voting specialist - Glass Lewis Europe Limited - to exercise voting rights for all equity funds also on ESG factors. VanEck is periodically informed by the service provider on the voting activities.
- Appointment of a third-party engagement specialist - Glass Lewis Europe Limited - for the passive equity funds managed by VanEck Asset Management B.V. The engagement provider determines the engagement approach in accordance with its engagement policy and based on its engagements' priorities.

● ***How does the designated index differ from a relevant broad market index?***

The index differs from a generic US broad market index in following ways:

- Moat investment approach: companies with long-term competitive advantages ("Moats") (switching costs, intangible assets, network effect, cost advantage, efficient scale) according to Morningstar research;
- Investing in relatively attractively valued companies: undervalued companies according to estimated "Fair Value" by Morningstar research;
- Equal weighting: the constituents of the index are equal-weighted as opposed to market-capitalization weighting;
- Staggered rebalancing: the index consists of two annually rebalanced sub-portfolios;
- Target ESG score: index selection targets a Morningstar Sustainability Rating of 4 out of 5 globes, equivalent to the best 32.5% in its peer group, whereby the worst ESG performers will be replaced;
- ESG Screening: companies with very severe norms violations, the ones that have greater than 0% revenue exposure to controversial weapons and tobacco, or that exceed certain thresholds of revenue exposure to various sectors including, but not limited to, civilian firearms and energy extractives are not eligible for inclusion.

- **Where can the methodology used for the calculation of the designated index be found?**

Information on the methodology can be found on the index provider's website:  
<https://indexes.morningstar.com/our-indexes/details/morningstar-us-sustainability-moat-focus-FS0000GL97?tab=overview>.



#### **Where can I find more product specific information online?**

More product-specific information can be found on the website:  
<https://www.vaneck.com/ie/en/moat>.

**VANECK UCITS ETFs plc**

**Supplement dated 20 December 2024**

**for**

**VanEck J.P. Morgan EM Local Currency Bond UCITS ETF**

This Supplement contains specific information in relation to the **VanEck J.P. Morgan EM Local Currency Bond UCITS ETF** (the **Fund**), a sub-fund of **VanEck UCITS ETFs plc** (the **Company**), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank pursuant to the Regulations.

**This Supplement forms part of, may not be distributed unless accompanied by (other than to prior recipients of the Prospectus of the Company dated 20 December 2024, as may be amended, supplemented or modified from time to time), and should be read in conjunction with the Prospectus for the Company.**

THIS DOCUMENT IS IMPORTANT. YOU SHOULD NOT PURCHASE SHARES IN THE FUND DESCRIBED IN THIS SUPPLEMENT UNLESS YOU HAVE ENSURED THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT AND THE RISKS INVOLVED AND ARE SATISFIED THAT THE INVESTMENT IS SUITED TO YOUR CIRCUMSTANCES AND OBJECTIVES, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU ARE RECOMMENDED TO TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR.

The Directors of the Company whose names appear in the section entitled **Directors of the Company** in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

**Shares purchased on the secondary market cannot usually be sold directly back to the Fund. Investors must buy and sell Shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value when buying Shares and may receive less than the current Net Asset Value per Share when selling them.**

**An investment in the Fund, whose securities comprise holdings in emerging markets should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors.**

Certain risks attached to investments in the Fund are set out in the Prospectus in the section entitled **Risk Factors**.

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## **1 IMPORTANT INFORMATION**

### **1.1 Profile of a typical investor**

A typical investor is expected to be an informed investor who is able to bear capital and income risk, and should view investment in the Fund as a medium to long term investment. A typical investor is expected to be an investor who wishes to take exposure to the markets covered by the Fund's investment policy and is prepared to accept the risks associated with an investment of this type, including the volatility of such market.

### **1.2 General**

This Supplement sets out information in relation to the Shares and the Fund. You must also refer to the Prospectus which is separate to this document and describes the Company and provides general information about offers of shares in the Company. You should not take any action in respect of the Shares unless you have received a copy of the Prospectus. Should there be any inconsistency between the contents of the Prospectus and this Supplement, the contents of this Supplement will, to the extent of any such inconsistency, prevail. This Supplement and the Prospectus should both be carefully read in their entirety before any investment decision with respect to Shares is made.

The Shares of the Fund have been admitted to listing on the Official List and trading on the Regulated Market of Euronext Dublin. This Supplement together with the Prospectus includes all information required to be disclosed by Euronext Dublin listing requirements and comprise listing particulars for the purpose of listing the Shares of the Fund on Euronext Dublin.

Neither the admission of Shares of the Fund to listing on the Official List and to trading on the Regulated Market of Euronext Dublin nor the approval of the listing particulars pursuant to the listing requirements of Euronext Dublin shall constitute a warranty or representation by Euronext Dublin as to the competence of service providers to or any other party connected with the Fund, the adequacy of information contained in the listing particulars or the suitability of the Fund for investment purposes.

As of the date of this Supplement, the Company does not have any loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

### **1.3 Suitability of Investment**

You are advised to inform yourself as to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Shares.

The Shares are not principal protected. The value of the Shares may go up or down and you may not get back the amount you have invested. See the section entitled Risk Factors of the Prospectus and the section entitled Risk Factors of this Supplement for a discussion of certain risks that should be considered by you.

An investment in the Shares is only suitable for you if you are a sophisticated investor and (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

#### 1.4 Distribution of this Supplement and Selling Restrictions

Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus and is not authorised in any jurisdiction after publication of the audited annual report of the Company unless a copy of the then latest annual report and, if distributed after the semi-annual report has been produced, a copy of the then latest published semi-annual report and unaudited accounts is made available in conjunction with the Prospectus and this Supplement. The distribution of this Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. If you receive a copy of this Supplement and/or the Prospectus you may not treat such document(s) as constituting an offer, invitation or solicitation to you to subscribe for any Shares unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without compliance with any registration or other legal requirement other than those with which the Company has already complied. If you wish to apply for the opportunity to purchase any Shares it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile.

## 2 Investment Objective and Policies

### 2.1 Investment Objective

The Fund's investment objective is to replicate, before fees and expenses, the price and yield performance of the J.P. Morgan GBI-EM Global Core index (the **Index**). For a further description of the Index see the section entitled **Information on the Index** below.

### 2.2 Investment Policy

The Fund will seek to achieve its objective by investing in a diversified portfolio of bonds issued by emerging market governments that, as far possible and practicable, consist of the component securities that comprise the Index. The Index is comprised of fixed rate domestic currency government bonds with greater than 13 months to maturity issued by emerging market governments and denominated in the local currency of the issuer. This includes Renminbi denominated bonds issued in the People's Republic of China (**China**) through Bond Connect. Details in relation to Bond Connect are in the section entitled **Bond Connect** and information on the risks associated with investing in securities traded in China through Bond Connect are in the section entitled **Dealing in Securities through Bond Connect Risks**.

The Fund, using a "passive" or indexing investment approach, attempts to approximate the investment performance of the Index. The Investment Manager will regularly monitor the Fund's tracking accuracy. Information relating to the anticipated tracking error is set out in the section entitled **Investment Approach**.

Due to the practical difficulties and expense of purchasing all of the securities in the Index, the Fund does not purchase all of the securities in the Index. Instead, the Investment Manager utilises a "sampling" methodology in seeking to achieve the Fund's objective. As such, the Fund may purchase a subset of the bonds in the Index in an effort to hold a portfolio of bonds with generally the same risk and return characteristics of the Index. The Fund may concentrate its investments in a particular

industry or group of industries to the extent that the Index concentrates in an industry or group of industries.

The Fund may invest in ancillary liquid assets and money market instruments which may include bank deposits, certificates of deposit, fixed or floating rate instruments, commercial paper, floating rate notes and freely transferable promissory notes. The ancillary liquid assets, money market instruments and FDI (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus.

## 2.3 Efficient Portfolio Management

Investors should note that the Fund may also invest in FDIs for efficient portfolio management or hedging purposes. The Fund may use futures, swaps and currency forwards for the purpose of reducing risk associated with currency exposures within the Fund. This may on occasions lead to an increase in risk profile of the Fund or result in a fluctuation in the expected level of volatility. Please see the section entitled **Risk Factors** in the Prospectus in relation to such risks.

The Fund will employ the commitment approach to assess the Fund's global exposure and to ensure that the Fund's use of derivative instruments is within the limits specified by the Central Bank. Global exposure will be calculated daily. While the Fund may be leveraged through the use of the FDIs, any such leverage would not be expected to be in excess of 100% of the Fund's Net Asset Value.

Investment in FDIs is subject to the conditions and limits contained in the CBI UCITS Regulations issued by the Central Bank. Subject to these limits, the Fund may invest in FDIs dealt on any of the regulated markets set out in the list of Markets in Appendix II to the Prospectus (and/or over the counter FDIs (**OTCs**)) which will be used for investment, efficient portfolio management and/or for hedging purposes.

The Company employs a risk management process which enables it to accurately measure, monitor and manage at any time the various risks associated with FDIs and their contribution to the overall risk profile of the portfolio of assets of the Fund. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments. The Fund will only invest in FDIs in accordance with the risk management policy prepared and submitted to the Central Bank in accordance with the Central Bank requirements.

The Fund may invest in FDIs dealt over-the-counter provided that the counterparties to over-the-counter transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

Position exposure to the underlying assets of FDIs, including embedded FDIs in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the CBI UCITS Regulations.

## 2.4 Securities Financing Transactions

While the Company may enter into securities financing transactions and repurchase agreements (**SFTs**) (as defined under Article 3 (11) of Regulation (EU) 2015/2365) (the **SFTR**), it is not anticipated that the Fund will enter into any SFTs. However, in the event that the Fund contemplates entering into such transactions, investors will be provided with further details of the structure and use of such transactions, together with any other information required to be disclosed to investors in accordance with Articles 13 and 14 of the SFTR. The Supplement will be updated accordingly in the event that the Fund will enter into any SFTs.

### 3 Investment Approach

The Fund, utilising a **passive** or indexing investment approach (i.e. the Fund will not be actively managed and will seek to replicate the Index), attempts to approximate the investment performance of the Index by investing in a portfolio of securities (diversified portfolio of bonds) that generally replicates the Index.

In order to seek to achieve this investment objective, the Investment Manager, on behalf of the Fund, will invest, using the representative sampling approach described below, primarily in the securities of the Index, at all times in accordance with the Investment Restrictions set forth in the Prospectus. The Investment Manager also may, in exceptional circumstances such as the unavailability of certain bonds due to social unrest in an emerging market country, invest in securities not included in the Index but that it believes closely reflect the risk and distribution characteristics of securities of the Index. Details of the Fund's portfolio and the indicative net asset value per share for the Fund are available on the Website.

The representative sampling approach used by the Investment Manager seeks to build a representative portfolio that provides a return comparable to that of the Index. The Investment Manager uses a representative sampling approach for the Fund because the Index contains too many securities to efficiently purchase and, at times, certain securities included in the Index are difficult to purchase in the open markets. Consequently, the Fund will typically hold only a subset of the securities included in the Index. The bonds held by the Fund, representing a subset of all the securities in the Index, will generally have the characteristics of the Index and are chosen with the intention of tracking the performance of the Index with a predicted level of tracking error.

In building the Fund's portfolio using the representative sampling approach, the Investment Manager will select certain securities within the Index rather than all of the Index securities, paying close attention to the overall weights and exposures, including, but not limited to, sector weights, individual issuer weights, currency weights and interest rate risk in order to avoid unintended biases. Further, the Investment Manager may sell securities that are represented in the Index in anticipation of their removal from the Index or purchase securities not represented in the Index in anticipation of their addition to the Index. The sampling process seeks to create an overall exposure that closely matches the Index. Anticipated tracking error is based on the expected volatility of differences between the returns of the relevant fund and the returns of its benchmark index. For a physically replicating ETF, one of the primary drivers of tracking error is the difference between a Fund's holdings and index constituents. Cash management, trading costs from rebalancing and withholding tax suffered by the Fund on any income received from its Investments can also have an impact on tracking error as well as the return differential between the ETF and the benchmark index. The impact can be either positive or negative depending on the underlying circumstances. The anticipated tracking error of a Fund is not a guide to its future performance. The annualised tracking error envisaged is not anticipated to exceed 2.50% under normal market conditions.

### 4 Investment Manager

Van Eck Associates Corporation has been appointed as the investment manager to the Fund. Please see the section entitled Investment Manager in the Prospectus for further details in relation to Van Eck Associates Corporation.

### 5 Information on Bond Connect

Bond Connect is a mutual bond market access program between Hong Kong and China through which eligible overseas investors can invest in fixed-income securities traded on the China Interbank Bond Market. Bond Connect was established by China Foreign Exchange Trade System and National

Interbank Funding Centre, China Central Depository & Clearing Co. Ltd, Shanghai Clearing House and Hong Kong Exchanges and Clearing Limited and Central Moneymarkets Unit. Bond Connect is governed by rules and regulations promulgated by the Chinese authorities which may be amended from time to time. To the extent that the Fund's investments are dealt via Bond Connect, such dealing may be subject to additional risk factors as outlined in the section entitled, Dealing in Securities through Bond Connect.

## 6 Information on the Index

The Index is designed to track the performance of bonds issued by emerging market governments and denominated in the local currency of the relevant issuer. The Index is designed to be investible and includes only those countries that are accessible by most of the international investor base. The Index Provider selects bonds from each of the emerging market countries set forth below that are fixed-rate, domestic currency government bonds with greater than 2.5 years remaining maturity for initial inclusion in the Index and removes those with less than 6 months remaining to maturity.

Countries eligible for inclusion in the Index are countries whose gross national income (**GNI**) per capita is below the index income ceiling (**IIC**) for three consecutive years or the nation's cost of living (purchasing power) is below the emerging market index purchasing power parity ration ("**IPR**") threshold for three consecutive years. IIC is defined as GNI per capita level that is adjusted every year by the growth rate of the World GNI per capita. A country is eligible for exclusion from the Index if its GNI per capita is above the IIC for three consecutive years, its cost of living, as defined by IPR (relative to that of the US), should be above the EM threshold for three consecutive years and its sovereign credit rating is A-/A3/A- or above for three consecutive years. Changes in country eligibility may warrant the re-categorisation of countries into and out of the Index. The Index excludes countries with explicit capital controls that inhibited currency exchange and monetary flows, but does not factor in regulatory/tax hurdles in assessing eligibility.

Countries in the Index are subject to a maximum weight of 10% and a minimum weight of 1% depending on the amount of the country's eligible debt outstanding. The weights change monthly on each rebalance day, and those weights will float based on performance until the following month. The excess is redistributed in proportion to the market capitalisations of the other countries in Index with weightings of less than 10%, which preserves the relative weightings of the other markets in the Index.

The Index rebalances on the last weekday of each month. The Index is weighted by the component countries' aggregate normalised market capitalisation (dirty price times par outstanding), subject to the aforementioned 10% country cap. The weights change monthly on each rebalance day, and those weights remain unchanged until the following month. Accrued interest is assigned to the bonds in the Index according to the specific convention of each country's market, and this interest is settlement adjusted.

The Index is calculated daily. Total returns are calculated based on the sum of price changes, gain/loss on repayments of principal, and coupon received or accrued, expressed as a percentage of beginning market value, adjusted for currency movements.

The following types of bonds are excluded from the Index: floating rate bonds, inflation-linked bonds, capitalisation/amortising bonds, callable bonds, convertible bonds and puttable bonds.

## 7 Index Provider

The Index is published by J.P. Morgan Securities LLC (the **Index Provider**). The Index Provider does not sponsor, endorse, or promote the Fund and bears no liability with respect to the Fund or any security.

In accordance with Central Bank requirements, the Company is required to provide details of the Index Provider's website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company has no responsibility for the Index Provider's website and is not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof. Further information in relation to the Index may be found on the Index Provider's website, <https://www.jpmorgan.com/content/dam/jpm/cib/complex/content/markets/composition-docs/vaneck-gbi-em-global-core-factsheet.pdf>

## 8 Investment Restrictions

The general investment restrictions as set out in the Prospectus shall apply. The Fund may not invest more than 10% of its Net Asset Value in open-ended collective investment schemes. There may be instances where the weighting of any constituent security of the Index could cause the Fund to breach the investment restrictions set out in the Prospectus. If such an event occurs, it is intended that the Fund will purchase other assets, the effect of which will seek to maintain, so far as is possible, the same economic exposure to and the same weighting of the security of that issuer in the Index without breaching its investment restrictions.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders.

## 9 Borrowing

The Fund may borrow money in an amount up to 10% of the market value of its net assets at any time for the account of any Fund and the Depositary may charge the assets of the Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Fund may acquire currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of the Regulations provided that the offsetting deposit is denominated in the Base Currency of the Fund and equals or exceeds the value of the foreign currency loan outstanding.

## 10 Risk Factors

The general risk factors as set out in the section entitled **Risk Factors** in the Prospectus apply.

Investors in the Fund should be willing to accept a high degree of volatility in the price of the Fund's Shares and the possibility of significant losses. An investment in the Fund involves a substantial degree of risk. Therefore, you are advised to consider carefully the following risks before investing in the Fund.

The value of investments and the income from them, and therefore the value of and income from the Shares can go down as well as up and an investor may not get back the amount invested. The Fund's exposure is based on the performance of the Index securities which, in turn, is exposed to general market movements (negative as well as positive).

An investment in the Fund may be subject to risks which include, among others, material transaction cost from rebalancing activity and fluctuations in the value of securities held by the Fund due to market and economic conditions or factors relating to specific issuers.

Certain additional risks may also be associated with the Fund, including, without limitation:

### 10.1 Risk of Investing in Emerging Markets Risk Issuers

Investments in securities of emerging market issuers are exposed to a number of risks that may make these investments volatile in price or difficult to trade. Emerging markets are more likely than developed markets to experience problems with the clearing and settling of trades, as well as the holding of securities by local banks, agents and depositories. Political risks may include unstable governments, nationalisation, restrictions on foreign ownership, laws that prevent investors from getting their money out of a country and legal systems that do not protect property rights as well as the laws in developed countries. Market risks may also include economies that concentrate in only a few industries, securities issues that are held by only a few investors, liquidity issues and limited trading capacity in local exchanges and the possibility that markets or issues may be manipulated by foreign nationals who have inside information. The frequency, availability and quality of financial information about investments in emerging markets varies. The Fund has limited rights and few practical remedies in emerging markets and the ability of authorities in developed countries to bring enforcement actions in emerging markets may be limited, and the Fund's passive investment approach does not take account of these risks. All of these factors can make emerging market securities more volatile and potentially less liquid than securities issued in more developed markets.

## **10.2 Credit Risk**

Credit risk refers to the possibility that the issuer or guarantor of a debt security will be unable and/or unwilling to make timely interest payments and/or repay the principal on its debt or to otherwise honour its obligations. Bonds are subject to varying degrees of credit risk which may be reflected in credit ratings. There is a possibility that the credit rating of a bond may be downgraded after purchase, which may adversely affect the value of the security.

## **10.3 Sovereign Bond Risk**

Investments in sovereign bonds involve special risks not present in corporate bonds. The governmental authority that controls the repayment of the bonds may be unable or unwilling to make interest payments and/or repay the principal on its bonds or to otherwise honour its obligations. If an issuer of sovereign bonds defaults on payments of principal and/or interest, the Fund may have limited recourse against the issuer. In the past, certain governments of emerging market countries have declared themselves unable to meet their financial obligations on a timely basis, which has resulted in losses to the holders of such government's debt.

## **10.4 Foreign Currency Risk**

Because all or a portion of the income received by the Fund from its investments and/or the revenues received by the underlying issuer will generally be being invested in debt denominated in foreign currencies, the Fund's exposure to foreign currencies and changes in the value of foreign currencies versus the Base Currency may result in reduced returns for the Fund.

Moreover, the Fund may incur costs in connection with conversions between US Dollar and foreign currencies. The value of an emerging market country's currency may be subject to a high degree of fluctuation. This fluctuation may be due to changes in interest rates, investors' expectations concerning inflation and interest rates, the emerging market country's debt levels and trade deficit, the effects of monetary policies issued by foreign governments, central banks or supranational entities, the imposition of currency controls or other national or global political or economic developments. The economies of certain emerging market countries can be significantly affected by currency devaluations. Certain emerging market countries may also have managed currencies which are maintained at artificial levels relative to the Base Currency rather than at levels determined by the market. This type of system could lead to sudden and large adjustments in the currency, which in turn, can have a negative effect on the Fund and its investments.

## **10.5 High Yield Securities Risk**

Securities rated below investment grade are commonly referred to as high yield securities or “junk bonds”. Junk bonds are subject to greater risk of loss of income and principal than higher rated securities and are considered speculative. The prices of junk bonds are likely to be more sensitive to adverse economic changes or individual issuer developments than higher rated securities. During an economic downturn or substantial period of rising interest rates, junk bond issuers may experience financial stress that would adversely affect their ability to service their principal and interest payment obligations, to meet their projected business goals or to obtain additional financing. In the event of a default, the Fund may incur additional expenses to seek recovery. The secondary market for securities that are junk bonds may be less liquid than the markets for higher quality securities, and high yield securities issued by non-corporate issuers may be less liquid than high yield securities issued by corporate issuers, which, in either instance, may have an adverse effect on the market prices of and the Fund’s ability to arrive at a fair value for certain securities. The illiquidity of the market could make it difficult for the Fund to sell certain securities in connection with a rebalancing of the Index. In addition, periods of economic uncertainty and change may result in an increased volatility of market prices of high yield securities and a corresponding volatility in the Fund’s Net Asset Value.

## **10.6 Concentration Risk**

The Fund’s assets may be concentrated in a particular sector or sectors or industry or group of industries to the extent the Index concentrates in a particular sector or sectors or industry or group of industries. To the extent that the Fund’s investments are concentrated in a particular sector or sectors or industry or group of industries, the Fund will be subject to the risk that economic, political or other conditions that have a negative effect on that sector or sectors or industry or group of industries will negatively impact the Fund to a greater extent than if the Fund’s assets were invested in a wider variety of sectors or industries.

In addition, the Fund may invest a relatively high percentage of its assets in a smaller number of issuers or may invest a larger proportion of its assets in a single issuer in accordance with the requirements of the UCITS investment restrictions and the requirements of the Central Bank. As a result, the gains and losses on a single investment may have a greater impact on the Fund’s Net Asset Value and may make the Fund more volatile than more diversified funds.

## **10.7 Special Risk Considerations of Investing in Latin American Issuers**

Investments in securities of Latin American issuers involve special considerations not typically associated with investments in the U.S. securities markets. The economies of certain Latin American countries have, at times, experienced high interest rates, economic volatility, inflation, currency devaluations and high unemployment rates. In addition, commodities (such as oil, gas and minerals) represent a significant percentage of the region’s exports and many economies in this region are particularly sensitive to fluctuations in commodity prices. Adverse economic events in one country may have a significant adverse effect on other countries of this region.

Most Latin American countries have experienced, at one time or another, severe and persistent levels of inflation, including, in some cases, hyperinflation. This has, in turn, led to high interest rates, extreme measures by governments to keep inflation in check, and a generally debilitating effect on economic growth. Although inflation in many Latin American countries has lessened, there is no guarantee it will remain at lower levels.

The political history of certain Latin American countries has been characterized by political uncertainty, intervention by the military in civilian and economic spheres, and political corruption. Such events could



reverse favourable trends toward market and economic reform, privatization, and removal of trade barriers, and could result in significant disruption in securities markets in the region.

The economies of Latin American countries are generally considered emerging markets and can be significantly affected by currency devaluations. Certain Latin American countries may also have managed currencies which are maintained at artificial levels relative to the U.S. dollar rather than at levels determined by the market. This type of system can lead to sudden and large adjustments in the currency which, in turn, can have a disruptive and negative effect on foreign investors. Certain Latin American countries also restrict the free conversion of their currency into foreign currencies, including the U.S. dollar. There is no significant foreign exchange market for many Latin American currencies and it would, as a result, be difficult for the Fund to engage in foreign currency transactions designed to protect the value of the Fund's interests in securities denominated in such currencies.

Finally, a number of Latin American countries are among the largest debtors of developing countries. There have been moratoria on, and a rescheduling of, repayment with respect to these debts. Such events can restrict the flexibility of these debtor nations in the international markets and result in the imposition of onerous conditions on their economies.

## **10.8 Special Risk Considerations of Investing in Asian Issuers**

Investments in securities of Asian issuers involve risks and special considerations not typically associated with investment in the securities markets of developed countries. Certain Asian economies have experienced over-extension of credit, currency devaluations and restrictions, high unemployment, high inflation, decreased exports and economic recessions. Economic events in any one Asian country can have a significant effect on the entire Asian region as well as on major trading partners outside Asia, and any adverse effect on some or all of the Asian countries and regions in which the Fund invests. The securities markets in some Asian economies are relatively underdeveloped and may subject the Fund to higher action costs or greater uncertainty than investments in more developed securities markets. Such risks may adversely affect the value of the Fund's investments.

## **10.9 Risk of Issuer-Specific Changes**

The value of individual securities or particular types of securities in the Fund's portfolio can be more volatile than the market as a whole and can perform differently from the value of the market as a whole, which may have a greater impact if the Fund's portfolio is concentrated in a country, group of countries, region, market or asset class. The value of securities of smaller issuers can be more volatile than that of larger issuers. A change in the financial condition, market perception or the credit rating of an issuer of securities included in the Index may cause the value of its securities to decline.

## **10.10 Dealing in Securities through Bond Connect Risks**

### **10.10.1 Regulatory Risk**

The Bond Connect program is relatively new. Laws, rules, regulations, policies, notices, circulars or guidelines relating to the programs as published or applied by the relevant authorities of China are untested and are subject to change from time to time. Regulators have been given wide discretion in such investment regulations and there is no precedent or certainty as to how such discretion may be exercised now or in the future. There can be no assurance that the Bond Connect program will not be restricted, suspended or abolished. As the Fund invests in securities through Bond Connect, it may be adversely affected as a result of any such changes or abolition.

### **10.10.2 Custody Risk**

Under the prevailing regulations in China, eligible foreign investors who wish to participate in the Bond Connect program may do so through an offshore custody agent, registration agent or other third parties (as the case may be), who would be responsible for making the relevant filings and account opening with the relevant authorities. The Fund is therefore subject to the risk of default or errors on the part of such agents.

#### **10.10.3 Trading Risk**

Trading in securities through Bond Connect may be subject to clearing and settlement risk. If the Chinese clearing house defaults on its obligation to deliver securities / make payment, the Fund may suffer delays in recovering its losses or may not be able to fully recover its losses.

#### **10.10.4 Market and Liquidity Risk**

Market volatility and potential lack of liquidity due to low trading volumes of certain debt securities may result in prices of certain debt securities traded on the China Interbank Bond Market to fluctuate significantly. The Fund, by investing on the market is therefore subject to liquidity and volatility risks and may suffer losses in trading Chinese bonds. The bid and offer spreads of the prices of such Chinese bonds may be large, and the Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

#### **10.10.5 Investment Restrictions Risk**

Investments into Bond Connect are not subject to any quota but should the relevant Chinese authorities suspend account opening or trading via Bond Connect, the Fund's ability to invest in China Interbank Bond Market will be limited. In that instance, the Fund may not be able to effectively pursue its investment strategy and it may have an adverse effect on the Fund's performance as the Fund may be required to dispose of impacted holdings. The Fund may also suffer substantial losses as a result.

#### **10.10.6 Chinese Local Credit Rating Risk**

The Fund may invest in securities the credit ratings of which are assigned by Chinese local credit rating agencies. The rating criteria and methodology used by such agencies may be different from those adopted by most of the established international credit rating agencies. Therefore, such rating system may not provide an equivalent standard for comparison with securities rated by international credit rating agencies. Investors should be cautious when they refer to ratings assigned by Chinese local credit agencies, noting the differences in rating criteria mentioned above. If assessments based on credit ratings do not reflect the credit quality of and the risks inherent in a security, investors may suffer losses, possibly greater than originally envisaged.

#### **10.10.7 Operational Risk**

Trading through Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly (in particular, under extreme market conditions) or will continue to be adapted to changes and developments in the market. In the event that the relevant systems fail to function properly, trading through Bond Connect may be disrupted. The Fund's ability to trade through Bond Connect (and hence to pursue its investment strategy) may therefore be adversely affected.

In addition, where the Fund invests in China Interbank Bond Market through Bond Connect, it may be subject to risks of delays inherent in the order placing and/or settlement systems.

#### **10.10.8 Beneficial Ownership of Bond Connect Securities Risk**

The Fund's investments via Bond Connect will be held following settlement by custodians as clearing participants in accounts in the China Foreign Exchange Trade System maintained by the Central Money Markets Unit as central securities depository in Hong Kong and nominee holder. Central Moneymarkets Unit in turn holds the Bond Connect securities of all its participants through a nominee omnibus securities account in its name registered with the China Central Depository & Clearing Co., Ltd and the Shanghai Clearing House in China. Because Central Moneymarkets Unit is only a nominee holder and not the beneficial owner of Bond Connect securities, in the unlikely event that Central Moneymarkets Unit becomes subject to winding up proceedings in Hong Kong, investors should note that any Bond Connect securities will not be regarded as part of the general assets of Central Moneymarkets Unit available for distribution to creditors even under Chinese law. Central Moneymarkets Unit will not be obliged to take any legal action or enter into court proceedings to enforce any rights on behalf of investors in any Bond Connect securities in China. Funds investing through the Bond Connect holding the Bond Connect securities through Central Moneymarkets Unit are the beneficial owners of the assets and are therefore eligible to exercise their rights through the nominee only.

Physical deposit and withdrawal of Bond Connect securities are not available through Northbound Trading for the Fund. The Fund's title or interests in, and entitlements to Bond Connect securities (whether legal, equitable or otherwise) will be subject to applicable requirements, including laws relating to any disclosure of interest requirement or foreign bondholding restriction, if any. It is uncertain whether the Chinese courts would recognise the ownership interest of the investors to allow them standing to take legal action against the Chinese entities in case disputes arise.

#### **10.10.9 Investor Compensation Protection Risk**

Investors should note that any trading under Bond Connect will not be covered by Hong Kong's Investor Compensation Fund nor China Securities Investor Protection Fund and thus investors will not benefit from compensation under such schemes. Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Examples of default are insolvency, in bankruptcy or winding up, breach of trust, defalcation, fraud, or misfeasance.

#### **10.10.10 Difference in Trading Day and Trading Hours Risk**

Due to differences in public holiday between Hong Kong and China or other reasons such as adverse weather conditions, there may be a difference in trading days and trading hours on the China Interbank Bond Market and the Central Moneymarkets Unit.

Bond Connect will thus only operate on days when both markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for China markets but it is not possible to carry out any Bond Connect Securities trading in Hong Kong.

#### **10.10.11 Recalling of Eligible Bond and Trading Restriction Risk**

A bond may be recalled from the scope of eligible stocks for trading via Bond Connect for various reasons, and in such event, the stock can only be sold but is restricted from being bought. This may affect the investment portfolio or strategies of the Investment Manager for the Fund.

#### **10.10.12 Trading Costs Risk**

In addition to paying trading fees and other expenses in connection with Bond Connect securities trading, the Funds carrying out Northbound Trading via Bond Connect should also take note of any new portfolio fees, dividend tax and tax concerned with income arising from transfers which would be determined by the relevant authorities.

#### **10.10.13 Currency Risk**

Northbound investments by the Fund in the Bond Connect Securities will be traded and settled in Renminbi / RMB, the official currency of China. The RMB is currently not a freely convertible currency. The Chinese government places strict regulation on the RMB and sets the value of the RMB to levels dependent on the value of the U.S. dollar. The Chinese government's imposition of restrictions on the repatriation of RMB out of mainland China may limit the depth of the offshore RMB market and reduce the liquidity of the Fund's investments.

If the Fund holds assets denominated in a local currency other than RMB, the Fund will be exposed to currency risk if the Fund invests in a RMB product due to the need for the conversion of the local currency into RMB. During the conversion, the Fund will also incur currency conversion costs. Even if the price of the RMB asset remains the same when the Fund purchases it and when the Fund redeems / sells it, the Fund will still incur a loss when it converts the redemption / sale proceeds into local currency if RMB has depreciated.

#### **10.10.14 Central Moneymarkets Unit Default Risk**

A failure or delay by the Central Moneymarkets Unit in the performance of its obligations may result in a failure of settlement, or the loss, of Bond Connect securities and/or monies in connection with them and the Fund and its investors may suffer losses as a result. Neither the Fund nor the Investment Manager shall be responsible or liable for any such losses.

#### **10.10.15 Tax Risks**

There is no specific written guidance by the Chinese tax authorities on the treatment of income tax and other tax categories payable in respect of trading in China Interbank Bond Market by eligible foreign institutional investors via Bond Connect. As such, it is uncertain as to the Fund's tax liabilities for trading in China Interbank Bond Market through Bond Connect.

### **11 Dividend Policy**

It is not proposed that the Directors will declare a dividend in respect of the Fund. Full details of any change to the Fund's dividend policy will be provided in an updated Supplement and all Shareholders will be notified in advance.

### **12 Key Information for Purchasing and Selling**

|                  |   |
|------------------|---|
| Base Currency    | US Dollar (USD).  |
| Business Day     | means every day other than a Saturday or Sunday (or such other day(s) as the Directors may from time to time determine and notify in advance to Shareholders).  |
| Dealing Day      | In general, each Business Day will be a Dealing Day. However, certain Business Days will not be Dealing Days where, in the sole determination of the Investment Manager: (i) markets on which the Fund's investments are listed or traded, or markets relevant to the Index are closed, and/or (ii) there is a public holiday in the jurisdiction in which the Investment Manager or its delegate(s), if applicable, is or are based; provided there is at least one Dealing Day per fortnight. The Dealing Days for the Fund are available at <a href="http://www.vaneck.com">www.vaneck.com</a> . |
| Dealing Deadline | 4:00pm Irish time on the Business Day prior to the relevant Dealing Day.  |
| Settlement Date  | In the case of subscription(s), within 2 Business Days of the relevant Dealing Day.<br><br>In the case of repurchases, within 3 Business Days of the relevant Dealing Day.  |
| Valuation Point  | 11:00 p.m. Irish time on the relevant Dealing Day.  |
| Website          | <a href="http://www.vaneck.com">www.vaneck.com</a> - Information on portfolio composition and details of the intra-day portfolio value (iNAV) are set out on the website.   |

## Description of Shares

|                              |   |
|------------------------------|---|
| Share Class                  | A   |
| ISIN                         | IE00BDS67326  |
| Creation Unit                | 50,000 Shares or such other amount as may be determined by the Directors at their discretion.   |
| Minimum Initial Subscription | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Initial Subscription. |
| Minimum Holding              | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Holding.              |

## 13 Charges and expenses

The following fees and expenses will be incurred by the Company on behalf of the Fund and will affect the Net Asset Value of the relevant Class of Share of the Fund:

|             |   |
|-------------|---|
| Share Class | A   |
| Total Fee   | Up to 0.30% per annum or such lower amount as may be advised to Shareholders from time to time. |

The Total Fee, a percentage of the Net Asset Value of the relevant Class of Shares (plus VAT, if any), is payable by the Company out of the Fund Assets to the Manager. The Total Fee will accrue on each day and will be calculated on each Dealing Day and paid monthly in arrears. The Total Fee will cover

all of the ordinary fees, operating costs and expenses payable by the Fund including fees and expenses paid to the Manager, all ordinary costs and expenses connected with the management and operating activities of the Fund, including investment management and advisory fees, Director's fees, registration, transfer agency, administration and custody fees, registrar fees, regulators and auditors and certain legal expenses of the Company. The Total Fee does not include extraordinary costs and expenses (including but not limited to transaction charges, stamp duty or other taxes on the investments of the Company including duty charges for portfolio re-balancing, withholding taxes, commissions and brokerage fees incurred with respect to the Company's investments, interest on any non-overdraft credit facility and charges incurred in negotiating, effecting or varying the terms of such facility, any commissions charged by intermediaries in relation to an investment in the Fund and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the Company all of which will be paid separately out of the assets of the Fund).

This section entitled **Charges and Expenses** should be read in conjunction with the sections entitled **General Charges and Expenses** and **Management Charges and Expenses** in the Prospectus.

#### 14 Registration for public distribution and listing

Application is expected to be made to register the Fund for public distribution in various European countries.

Shares have been listed on Euronext Dublin and other stock exchanges. Through the operation of such a secondary market, persons who are not Authorised Participants or not able or willing to subscribe for and redeem Creation Units will be able to buy Shares from or sell Shares to other retail investors or market makers, broker/dealers, or other Authorised Participants at prices which should approximate, after currency conversion, the Net Asset Value of the Shares.

#### 15 How to buy and sell Shares

Investors can buy and sell Shares on the secondary market as described above in accordance with the procedures set out in the section entitled **Secondary Market** in the Prospectus.

Investors can otherwise subscribe for or redeem Creation Units in accordance with the procedures set out in the Prospectus.

#### 16 Sustainable finance disclosure

The Manager has categorised the Fund as meeting the provisions set out in Article 6 of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector ("**SFDR**") and does not follow a dedicated ESG investment strategy. The Fund does not have sustainable investment as its investment objective, nor does it promote environmental or social characteristics.

##### 16.1 Sustainability risks

Sustainability risk is the risk that the value of an investment will decline as a result of an environmental, social or governance (ESG) event or circumstance. Ecological events include climate change, scarcity of natural resources and pollution. Social events may include labor issues and product liability. Governance can include themes such as shareholder rights, business ethics, diversity and executive remuneration. Sustainability risks can arise in all kinds of forms. With regard to the theme of climate, for example, there is a distinction between transition risks and physical risks, whereby transition risks can be divided into legal and regulatory risks, technological risks, market risks and reputation risks. In addition, the impact of sustainability risk has various scopes, including company-specific, sector-

specific and on country level. The occurrence of a sustainability risk results in other (financial) risks manifesting. This can negatively affect the value of the investment.

Concrete examples of sustainability risks for this Fund are: The economic situation of a country is negatively affected by climate change, which can cause the country's creditworthiness to decline. A country is dependent on sectors that are negatively affected by the energy transition, which can cause the country's creditworthiness to decline. The expected impact of sustainability risks on the return depends on the type of sustainability risk that materializes. For emerging market bonds, the expected impact is generally viewed as significant.

## **16.2 Sustainability risk integration features**

The Fund has a passive investment policy whereby the Fund aims to follow the Index as closely as possible. The relevant Index has no specific sustainability characteristics. The Fund therefore does not have any specific sustainability characteristics as well.

The Investment Manager applies the following measures to integrate sustainability risks for this Fund:

### **Exclusions**

Exclusions apply to this Fund as further outlined in section 10 of the Prospectus.

## **16.3 Taxonomy Regulation Disclosure**

The underlying investments of the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

## **17 Other information**

New Funds may be created from time to time by the Directors with the prior approval of the Central Bank in which case further Supplements incorporating provisions relating to those Funds will be issued by the Company.

The names of the Funds currently approved by the Central Bank are listed in the Global Addendum.

## SCHEDULE 1: INDEX DISCLAIMERS

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FOREGOING, IN NO EVENT SHALL J.P. MORGAN SECURITIES INC. HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, DIRECT, INDIRECT, OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF PRINCIPAL AND/OR LOST PROFITS, EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

The indicative optimised portfolio value/intra-day portfolio value is calculated by S&P Global Ltd.

**VANECK UCITS ETFs plc**

**Supplement dated 20 December 2024**

**for**

**VanEck Emerging Markets High Yield Bond UCITS ETF**

This Supplement contains specific information in relation to the **VanEck Emerging Markets High Yield Bond UCITS ETF** (the **Fund**), a sub-fund of **VanEck UCITS ETFs plc** (the **Company**), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank pursuant to the Regulations.

**This Supplement forms part of, may not be distributed unless accompanied by (other than to prior recipients of the Prospectus of the Company dated 20 December 2024, as may be amended, supplemented or modified from time to time), and should be read in conjunction with the Prospectus for the Company.**

THIS DOCUMENT IS IMPORTANT. YOU SHOULD NOT PURCHASE SHARES IN THE FUND DESCRIBED IN THIS SUPPLEMENT UNLESS YOU HAVE ENSURED THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT AND THE RISKS INVOLVED AND ARE SATISFIED THAT THE INVESTMENT IS SUITED TO YOUR CIRCUMSTANCES AND OBJECTIVES, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU ARE RECOMMENDED TO TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR.

The Directors of the Company whose names appear in the section entitled **Directors of the Company** in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

**Shares purchased on the secondary market cannot usually be sold directly back to the Fund. Investors must buy and sell Shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value when buying Shares and may receive less than the current Net Asset Value per Share when selling them.**

**The Fund may invest more than 30% of its Net Asset Value in securities which are below investment grade. An investment in the Fund, whose securities comprise holdings in emerging markets should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors.**

Certain risks attached to investments in the Fund are set out in the Prospectus in the section entitled **Risk Factors**.

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## **1 IMPORTANT INFORMATION**

### **1.1 Profile of a typical investor**

A typical investor is expected to be an informed investor who is able to bear capital and income risk, and should view investment in the Fund as a medium to long term investment. A typical investor is expected to be an investor who wishes to take exposure to the markets covered by the Fund's investment policy and is prepared to accept the risks associated with an investment of this type, including the volatility of such market.

### **1.2 General**

This Supplement sets out information in relation to the Shares and the Fund. You must also refer to the Prospectus which is separate to this document and describes the Company and provides general information about offers of shares in the Company. You should not take any action in respect of the Shares unless you have received a copy of the Prospectus. Should there be any inconsistency between the contents of the Prospectus and this Supplement, the contents of this Supplement will, to the extent of any such inconsistency, prevail. This Supplement and the Prospectus should both be carefully read in their entirety before any investment decision with respect to Shares is made.

The Shares of the Fund have been admitted to listing on the Official List and trading on the Regulated Market of Euronext Dublin. This Supplement together with the Prospectus includes all information required to be disclosed by Euronext Dublin listing requirements and comprise listing particulars for the purpose of listing the Shares of the Fund on Euronext Dublin.

Neither the admission of Shares of the Fund to listing on the Official List and to trading on the Regulated Market of Euronext Dublin nor the approval of the listing particulars pursuant to the listing requirements of Euronext Dublin shall constitute a warranty or representation by Euronext Dublin as to the competence of service providers to or any other party connected with the Fund, the adequacy of information contained in the listing particulars or the suitability of the Fund for investment purposes.

As of the date of this Supplement, the Company does not have any loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

### **1.3 Suitability of Investment**

**You are advised to inform yourself as to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Shares.**

**The Shares are not principal protected. The value of the Shares may go up or down and you may not get back the amount you have invested. See the section entitled Risk Factors of the Prospectus and the section entitled Risk Factors of this Supplement for a discussion of certain risks that should be considered by you.**

An investment in the Shares is only suitable for you if you are a sophisticated investor and (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of

such an investment and have sufficient resources to be able to bear any losses that may result from such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

#### 1.4 Distribution of this Supplement and Selling Restrictions

Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus and is not authorised in any jurisdiction after publication of the audited annual report of the Company unless a copy of the then latest annual report and, if distributed after the semi-annual report has been produced, a copy of the then latest published semi-annual report and unaudited accounts is made available in conjunction with the Prospectus and this Supplement. The distribution of this Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. If you receive a copy of this Supplement and/or the Prospectus you may not treat such document(s) as constituting an offer, invitation or solicitation to you to subscribe for any Shares unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without compliance with any registration or other legal requirement other than those with which the Company has already complied. If you wish to apply for the opportunity to purchase any Shares it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile.

## 2 **Investment Objective** and Policies

### 2.1 Investment Objective

The Fund's investment objective is to replicate, before fees and expenses, the price and yield performance of the ICE BofA Diversified High Yield US Emerging Markets Corporate Plus Index (the **Index**). For a further description of the Index see the section entitled **Information on the Index** below.

### 2.2 Investment Policy

The Fund will seek to achieve its objective by investing in a diversified portfolio of US dollar denominated below investment grade emerging markets corporate and quasi-government debt instruments publicly issued and traded on major US and Eurobond markets that, as far possible and practicable, consist of the component securities that comprise the Index. The Index is comprised of fixed rate US dollar denominated below investment grade emerging markets corporate and quasi-government debt instruments with greater than 12 months to maturity. In order to qualify for inclusion an issuer must have risk exposure to countries other than members of the FX G10, and territories of the US and Western European countries. The FX-G10 includes all Euro members, the US, Japan, the UK, Canada, Australia, New Zealand, Switzerland, Norway and Sweden. Further information in relation to the components of the Index is set out in the section entitled **Information on the Index**.

The Fund, using a "passive" or indexing investment approach, attempts to approximate the investment performance of the Index by investing in a portfolio of securities that generally replicates the Index. The Investment Manager will regularly monitor the Fund's tracking accuracy. Information relating to the anticipated tracking error is set out in the section entitled **Investment Approach**.

The Fund will seek the prior approval of the Central Bank should the Fund seek to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. In exceptional market circumstances, such as, but not limited to, a material price movement impacting the weighting of an underlying equity security of the Index or disruptive market conditions or extremely volatile markets, an underlying equity security of the Index which is held by the Fund may exceed the regulatory limits intra rebalancing dates which

would result in the Fund seeking to avail of the increased limits under Regulation 71(2) of the UCITS Regulations.

Due to the practical difficulties and expense of purchasing all of the securities in the Index, the Fund does not purchase all of the securities in the Index. Instead, the Investment Manager utilises a “sampling” methodology in seeking to achieve the Fund’s objective. As such, the Fund may purchase a subset of the debt instruments (for example bonds) in the Index in an effort to hold a portfolio of debt instruments with generally the same risk and return characteristics of the Index. The Fund may concentrate its investments in a particular industry or group of industries to the extent that the Index concentrates in an industry or group of industries. Further details in relation to the investment approach are set out in the section entitled **Investment Approach**.

The Fund may invest in ancillary liquid assets and money market instruments which may include bank deposits, certificates of deposit, fixed or floating rate instruments, commercial paper, floating rate notes and freely transferable promissory notes. The ancillary liquid assets, money market instruments and FDI (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus.

## 2.3 Efficient Portfolio Management

Investors should note that the Fund may also invest in FDIs for efficient portfolio management or hedging purposes. The Fund may use futures, swaps and forwards which may for the avoidance of doubt include currency futures, currency swaps and currency forwards for the purpose of reducing risk within the Fund. This may on occasions lead to an increase in risk profile of the Fund or result in a fluctuation in the expected level of volatility. Please see the section entitled **Risk Factors** in the Prospectus in relation to such risks.

The Fund will employ the commitment approach to assess the Fund’s global exposure and to ensure that the Fund’s use of derivative instruments is within the limits specified by the Central Bank. Global exposure will be calculated daily. While the Fund may be leveraged through the use of the FDIs, any such leverage would not be expected to be in excess of 100% of the Fund’s Net Asset Value.

Investment in FDIs is subject to the conditions and limits contained in the CBI UCITS Regulations issued by the Central Bank. Subject to these limits, the Fund may invest in FDIs dealt on any of the regulated markets set out in the list of Markets in Appendix II to the Prospectus (and/or over the counter FDIs (OTCs)) which may be used for efficient portfolio management and/or for hedging purposes.

The Company employs a risk management process which enables it to accurately measure, monitor and manage at any time the various risks associated with FDIs and their contribution to the overall risk profile of the portfolio of assets of the Fund. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments. The Fund will only invest in FDIs in accordance with the risk management policy prepared and submitted to the Central Bank in accordance with the Central Bank requirements.

The Fund may invest in FDIs dealt over-the-counter provided that the counterparties to over-the-counter transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

Position exposure to the underlying assets of FDIs, including embedded FDIs in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the CBI UCITS Regulations.

Please see the section entitled **Use of Financial Derivative Instruments and Efficient Portfolio Management** in the Prospectus in relation to FDI.

## 2.4 Securities Financing Transactions

While the Company may enter into securities financing transactions and repurchase agreements (**SFTs**) (as defined under Article 3 (11) of Regulation (EU) 2015/2365) (the **SFTR**), it is not anticipated that the Fund will enter into any SFTs. However, in the event that the Fund contemplates entering into such transactions, investors will be provided with further details of the structure and use of such transactions, together with any other information required to be disclosed to investors in accordance with Articles 13 and 14 of the SFTR. The Supplement will be updated accordingly in the event that the Fund will enter into any SFTs.

## 3 Investment Approach

The Fund, utilising a **passive** or indexing investment approach (i.e. the Fund will not be actively managed and will seek to replicate the Index), attempts to approximate the investment performance of the Index by investing in a portfolio of securities (diversified portfolio of US dollar denominated below investment grade emerging markets corporate and quasi-government debt) that generally replicates the Index.

In order to seek to achieve this investment objective, the Investment Manager, on behalf of the Fund, will invest, using the representative sampling approach described below, primarily in the securities of the Index, at all times in accordance with the Investment Restrictions set forth in the Prospectus. The Investment Manager also may, in exceptional circumstances such as the unavailability of certain securities due to social unrest in a non-FX G10, emerging market country, invest in securities not included in the Index but that it believes closely reflect the risk and distribution characteristics of securities of the Index. Details of the Fund's portfolio and the indicative net asset value per share for the Fund are available on the Website.

The representative sampling approach used by the Investment Manager seeks to build a representative portfolio that provides a return comparable to that of the Index. The Investment Manager uses a representative sampling approach for the Fund because the Index contains too many securities to efficiently purchase and, at times, certain securities included in the Index are difficult to purchase in the open markets. Consequently, the Fund will typically hold only a subset of the securities included in the Index. The securities held by the Fund, representing a subset of all the securities in the Index, will generally have the characteristics of the Index and are chosen with the intention of tracking the performance of the Index with a predicted level of tracking error.

In building the Fund's portfolio using the representative sampling approach, the Investment Manager will select certain securities within the Index rather than all of the Index securities, paying close attention to the overall weights and exposures, including, but not limited to, sector weights, individual issuer weights and interest rate risk in order to avoid unintended biases. Further, the Investment Manager may sell securities that are represented in the Index in anticipation of their removal from the Index or purchase securities not represented in the Index in anticipation of their addition to the Index. The sampling process seeks to create an overall exposure that closely matches the Index.

Anticipated tracking error is based on the expected volatility of differences between the returns of the Fund and the returns of the Index. For a physically replicating exchange traded fund, one of the primary drivers of tracking error is the difference between the Fund's holdings and index constituents. Cash management, trading costs from rebalancing and withholding tax or stamp duty suffered by the Fund on any income received from its Investments can also have an impact on tracking error as well as the return differential between the Fund and the Index. The impact can be either positive or negative

depending on the underlying circumstances. The anticipated tracking error of the Fund is not a guide to its future performance. The annualised tracking error envisaged is not anticipated to exceed 1.5% under normal market conditions.

#### 4 Investment Manager

Van Eck Associates Corporation has been appointed as the investment manager to the Fund. Please see the section entitled Investment Manager in the Prospectus for further details in relation to Van Eck Associates Corporation.

#### 5 Information on the Index

The Index is designed to track the performance of US dollar denominated below investment grade emerging markets corporate and quasi-government debt publicly issued and traded on the major US and Eurobond markets. In order to qualify for inclusion an issuer must have risk exposure to countries other than members of the FX G10, all Western European countries, and territories of the US and Western European countries. The FX-G10 includes all Euro members, the US, Japan, the UK, Canada, Australia, New Zealand, Switzerland, Norway and Sweden.

Individual securities of qualifying issuers must meet the following criteria, be denominated in US dollars, must have a below investment grade rating (based on an average of the ratings issued by internationally recognised rating agencies), must have at least one year remaining term to final maturity, at least 18 months to final maturity at point of issuance, at least \$300 million in outstanding face value and a fixed coupon. Credit ratings deemed to be 'below investment grade' are defined as meeting one or more of the following rating criteria: Ba1 or lower by an internationally recognised rating agency.

The index includes corporate and quasi-government debt of qualifying countries, but excludes sovereign and supranational debt. Original issue zero coupon bonds, "global" securities (debt instruments issued simultaneously in the Eurobond and US bond markets), 144a securities (with and without registration rights) and pay-in-kind securities (type of bond that pays interest in additional bonds), including toggle notes (payment-in-kind bond, where the issuer has the option to defer an interest payment by agreeing to pay an increased coupon in the future), qualify for inclusion in the Index.

Capital securities (hybrid securities that combine the features of both corporate bonds and preferred stock) where conversion can be mandated by a regulatory authority, but which have no specified trigger, are included. Other hybrid capital securities (debt security with equity-like features), such as those issues that potentially convert into preference shares, those with both cumulative and non-cumulative coupon deferral provisions, and those with alternative coupon satisfaction mechanisms, are also included in the index.

Callable perpetual securities qualify provided they are at least one year from the first call date. Fixed-to-floating rate securities (for example, subordinated bank debt may have a fixed coupon and a call option embedded where the fixed coupon may be changed to a floating rate coupon on the occurrence of a specific event) also qualify provided they are callable within the fixed rate period and are at least one year from the last call prior to the date the bond transitions from a fixed to a floating rate security.

Index constituents are weighted based on their current market capitalisation, subject to a 10% country of risk cap (cap on the exposure to any one country) and a 3% issuer cap. Countries and issuers that exceed the limits are reduced to 10% and 3%, respectively, and the face value of each of their bonds is adjusted on a pro-rata basis. Similarly, the face values of bonds of all other countries and issuers that fall below their respective caps are increased on a pro-rata basis. In the event there are fewer than



10 countries in the Index, or fewer than 34 issuers, each is equally weighted and the face values of their respective bonds are increased or decreased on a pro-rata basis.

The Index is rebalanced on the last calendar day of the month, subject to the aforementioned 10% country and 3% issuer cap, based on information available up to and including the third business day before the last business day of the month. Issues that meet the qualifying criteria are included in the Index for the following month. Issues that no longer meet the criteria during the course of the month remain in the Index until the next month-end rebalancing at which point they are removed from the Index.

Accrued interest is calculated assuming next-day settlement. Cash flows from bond payments that are received during the month are retained in the index until the end of the month and then are removed as part of the rebalancing. Cash does not earn any reinvestment income while it is held in the Index.

The Index is calculated daily. Total returns are calculated based on the sum of price changes, gain/loss on repayments of principal, and coupon received or accrued, expressed as a percentage of beginning market value, adjusted for currency movements.

## 6 Index Provider

The Index is published by ICE Data Indices, LLC (the **Index Provider**). The Index Provider does not sponsor, endorse, or promote the Fund and bears no liability with respect to the Fund or any security.

In accordance with Central Bank requirements, the Company is required to provide details of the Index Provider's website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company has no responsibility for the Index Provider's website and is not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof. Further information in relation to the Index may be found on the Index Provider's website, <http://www.mlindex.ml.com/gispublic/default.asp>.

## 7 Investment Restrictions

The general investment restrictions as set out in the Prospectus shall apply. The Fund may not invest more than 10% of its Net Asset Value in open-ended collective investment schemes.

There may be instances where the weighting of any constituent security of the Index could cause the Fund to breach the investment restrictions set out in the Prospectus. If such an event occurs, it is intended that the Fund will purchase other assets, the effect of which will seek to maintain, so far as is possible, the same economic exposure to and the same weighting of the security of that issuer in the Index without breaching its investment restrictions.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders.

## 8 Borrowing

The Fund may borrow money in an amount up to 10% of the market value of its net assets at any time for the account of any Fund and the Depositary may charge the assets of the Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Fund may acquire currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of the Regulations provided that

the offsetting deposit is denominated in the Base Currency of the Fund and equals or exceeds the value of the foreign currency loan outstanding.

## 9 Risk Factors

The general risk factors as set out in the section entitled **Risk Factors** in the Prospectus apply.

Investors in the Fund should be willing to accept a high degree of volatility in the price of the Fund's Shares and the possibility of significant losses. An investment in the Fund involves a substantial degree of risk. Therefore, you are advised to consider carefully the following risks before investing in the Fund.

The value of investments and the income from them, and therefore the value of and income from the Shares can go down as well as up and an investor may not get back the amount invested. The Fund's exposure is based on the performance of the Index securities which, in turn, is exposed to general market movements (negative as well as positive).

An investment in the Fund may be subject to risks which include, among others, material transaction cost from rebalancing activity and fluctuations in the value of securities held by the Fund due to market and economic conditions or factors relating to specific issuers.

Certain additional risks may also be associated with the Fund, including, without limitation:

### 9.1 Risk of Investing in Emerging Market Issuers

Investments in securities of emerging market issuers are exposed to a number of risks that may make these investments volatile in price or difficult to trade. Emerging markets are more likely than developed markets to experience problems with the clearing and settling of trades, as well as the holding of securities by local banks, agents and depositories. Political risks may include unstable governments, nationalisation, restrictions on foreign ownership, laws that prevent investors from getting their money out of a country and legal systems that do not protect property rights as well as the laws in developed countries. Market risks may also include economies that concentrate in only a few industries, securities issues that are held by only a few investors, liquidity issues and limited trading capacity in local exchanges and the possibility that markets or issues may be manipulated by foreign nationals who have inside information. The frequency, availability and quality of financial information about investments in emerging markets varies. The Fund has limited rights and few practical remedies in emerging markets and the ability of authorities in developed countries to bring enforcement actions in emerging markets may be limited, and the Fund's passive investment approach does not take account of these risks. All of these factors can make emerging market securities more volatile and potentially less liquid than securities issued in more developed markets.

### 9.2 Special Risk Considerations of Investing in Latin America

The Fund may invest in securities issued by Latin American issuers and, accordingly, may be subject to the risk of investing in such issuers. Investments in securities of Latin American issuers involve special considerations not typically associated with investments in securities of issuers located in the United States. The economies of certain Latin American countries have, at times, experienced high interest rates, economic volatility, inflation, currency devaluations and high unemployment rates. In addition, commodities (such as oil, gas and minerals) represent a significant percentage of the region's exports and many economies in this region are particularly sensitive to fluctuations in commodity prices. Adverse economic events in one country may have a significant adverse effect on other countries of this region.

Most Latin American countries have experienced, at one time or another, severe and persistent levels of inflation, including, in some cases, hyperinflation. This has, in turn, led to high interest rates, extreme measures by governments to keep inflation in check, and a generally debilitating effect on economic growth. Although inflation in many Latin American countries has lessened, there is no guarantee it will remain at lower levels.

The political history of certain Latin American countries has been characterized by political uncertainty, intervention by the military in civilian and economic spheres, and political corruption. Such events could reverse favourable trends toward market and economic reform, privatization, and removal of trade barriers, and could result in significant disruption in securities markets in the region.

The economies of Latin American countries are generally considered emerging markets and can be significantly affected by currency devaluations. Certain Latin American countries may also have managed currencies which are maintained at artificial levels relative to the U.S. dollar rather than at levels determined by the market. This type of system can lead to sudden and large adjustments in the currency which, in turn, can have a disruptive and negative effect on foreign investors. Certain Latin American countries also restrict the free conversion of their currency into foreign currencies, including the U.S. dollar. There is no significant foreign exchange market for many Latin American currencies and it would, as a result, be difficult for the Fund to engage in foreign currency transactions designed to protect the value of the Fund's interests in securities denominated in such currencies.

Finally, a number of Latin American countries are among the largest debtors of developing countries. There have been moratoria on, and a rescheduling of, repayment with respect to these debts. Such events can restrict the flexibility of these debtor nations in the international markets and result in the imposition of onerous conditions on their economies.

### **9.3 Special Risk Considerations of Investing in Asian Issuers**

Investments in securities of Asian issuers involve risks and special considerations not typically associated with investment in the securities markets of developed countries. Certain Asian economies have experienced over-extension of credit, currency devaluations and restrictions, high unemployment, high inflation, decreased exports and economic recessions. Economic events in any one Asian country can have a significant effect on the entire Asian region as well as on major trading partners outside Asia, and any adverse effect on some or all of the Asian countries and regions in which the Fund invests. The securities markets in some Asian economies are relatively underdeveloped and may subject the Fund to higher action costs or greater uncertainty than investments in more developed securities markets. Such risks may adversely affect the value of the Fund's investments.

### **9.4 Liquidity Risk**

The Company provides daily liquidity. Under normal circumstances, all positions can be sold within a very short period of time without realising significant losses. However, unforeseen circumstances can give rise to abnormal conditions which could cause the Company to face liquidity risk. It could be unable to sell its positions as a result. The degree to which the securities in which the Fund invests can be traded affects the level of the actual buy and sell prices. This could mean that securities cannot be sold or can only be sold at a substantially lower price than the valuation assigned and the Fund may be unable to free up adequate funds to satisfy its purchase obligations. The bid/ask prices can deviate from the asset value of the share in the Fund, as a result of which the performance may deviate from that of the underlying Index or Indices, certainly in the event of limited liquidity on the market. To limit this risk, investments are only made in listed securities. In exceptional circumstances, if the purchase of shares in the Company is suspended for instance, there could be a risk that the investor may be unable to sell their investment at the desired moment or for a reasonable price. Given the open-ended character of the Company, it could be confronted with a high number of exits which would mean

investments would have to be liquidated under potentially unfavourable conditions. This would negatively impact the value of the share. As described in this Prospectus, the purchase of shares may be (temporarily) suspended under certain circumstances.

## **9.5 Foreign Currency Risk**

Because all or a portion of the income received by the Fund from its investments and/or the revenues received by the underlying issuer will generally be being invested in debt denominated in foreign currencies, the Fund's exposure to foreign currencies and changes in the value of foreign currencies versus the Base Currency may result in reduced returns for the Fund. Moreover, the Fund may incur costs in connection with conversions between US Dollar and foreign currencies. The value of an emerging market country's currency may be subject to a high degree of fluctuation. This fluctuation may be due to changes in interest rates, investors' expectations concerning inflation and interest rates, the emerging market country's debt levels and trade deficit, the effects of monetary policies issued by foreign governments, central banks or supranational entities, the imposition of currency controls or other national or global political or economic developments. The economies of certain emerging market countries can be significantly affected by currency devaluations. Certain emerging market countries may also have managed currencies which are maintained at artificial levels relative to the Base Currency rather than at levels determined by the market. This type of system could lead to sudden and large adjustments in the currency, which in turn, can have a negative effect on the Fund and its investments.

## **9.6 Call Risk**

The Fund may invest in callable securities. If interest rates fall, it is possible that issuers of callable securities will "call" (or prepay) their securities before their maturity date. If a call were exercised by the issuer during or following a period of declining interest rates, the Fund is likely to have to replace such called securities with a lower yielding security or securities with greater risks or other less favourable features. If that were to happen, it would decrease the Fund's net investment income.

## **9.7 Risk of Subordinated Obligations**

Payments under some below investment grade emerging markets corporate and quasi-government debt instruments may be structurally subordinated to all existing and future liabilities and obligations of each of the respective subsidiaries and associated companies of an issuer of securities. Claims of creditors of such subsidiaries and associated companies will have priority as to the assets of such subsidiaries and associated companies over the issuer and its creditors, including the Fund, who seek to enforce the terms of these securities. Certain below investment grade emerging markets corporate and quasi-government debt instruments do not contain any restrictions on the ability of the subsidiaries of the issuers to incur additional unsecured indebtedness.

## **9.8 Restricted Securities Risk**

Rule 144A securities are restricted securities. Restricted securities are securities that are not registered under the Securities Act of 1933, as amended (the "Securities Act"). They may be less liquid and more difficult to value than other investments because such securities may not be readily marketable. The Fund may not be able to sell a restricted security promptly or at a reasonable time or price. Although there may be a substantial institutional market for these securities, it is not possible to predict exactly how the market for such securities will develop or whether it will continue to exist. A restricted security that was liquid at the time of purchase may subsequently become illiquid and its value may decline as a result. In addition, transaction costs may be higher for restricted securities than for more liquid securities. The Fund may have to bear the expense of registering restricted securities for resale and the risk of substantial delays in effecting the registration.

## **9.9 High Yield Securities Risk**

Securities rated below investment grade are commonly referred to as high yield securities or “junk bonds”. Junk bonds are subject to greater risk of loss of income and principal than higher rated securities and are considered speculative. The prices of junk bonds are likely to be more sensitive to adverse economic changes or individual issuer developments than higher rated securities. During an economic downturn or substantial period of rising interest rates, junk bond issuers may experience financial stress that would adversely affect their ability to service their principal and interest payment obligations, to meet their projected business goals or to obtain additional financing. In the event of a default, the Fund may incur additional expenses to seek recovery. The secondary market for securities that are junk bonds may be less liquid than the markets for higher quality securities, and high yield securities issued by non-corporate issuers may be less liquid than high yield securities issued by corporate issuers, which in either instance, may have an adverse effect on the market prices of and the Fund’s ability to arrive at a fair value for certain securities. The illiquidity of the market could make it difficult for the Fund to sell certain securities in connection with a rebalancing of the Index. In addition, periods of economic uncertainty and change may result in an increased volatility of market prices of high yield securities and a corresponding volatility in the Fund’s Net Asset Value.

### **9.10 Risk of Investing in the Energy Sector**

The Fund will be sensitive to, and its performance will depend to a greater extent on, the overall condition of the energy sector. Companies operating in the energy sector are subject to risks including, but not limited to, economic growth, worldwide demand, political instability in the regions that the companies operate, government regulation stipulating rates charged by utilities, interest rate sensitivity, oil price volatility, energy conservation, environmental policies, depletion of resources, the cost of providing the specific utility services and other factors that they cannot control. Recently, oil prices continue to remain at low levels following a significant decrease. Oil prices are subject to significant volatility, which has adversely impacted companies operating in the energy sector. In addition, these companies are at risk of civil liability from accidents resulting in injury, loss of life or property, pollution or other environmental damage claims and risk of loss from terrorism and natural disasters.

### **9.11 Risk of Investing in the Financial Services Sector**

Companies in the financial services sector may be subject to extensive government regulation that affects the scope of their activities, the prices they can charge and the amount of capital they must maintain. The profitability of companies in the financial services sector may be adversely affected by increases in interest rates, by loan losses, which usually increase in economic downturns, and by credit rating downgrades. In addition, the financial services sector is undergoing numerous changes, including continuing consolidations, development of new products and structures and changes to its regulatory framework. Furthermore, some companies in the financial services sector perceived as benefitting from government intervention in the past may be subject to future government-imposed restrictions on their businesses or face increased government involvement in their operations. Increased government involvement in the financial services sector, including measures such as taking ownership positions in financial institutions, could result in a dilution of each Fund’s investments in financial institutions. Recent developments in the credit markets may cause companies operating in the financial services sector to incur large losses, experience declines in the value of their assets and even cease operations.

### **9.12 Risk of Investing in the Basic Materials Sector**

Because the Index is concentrated in the basic materials sector (gold and silver mining companies), the Fund may be sensitive to changes in, and its performance will depend to a greater extent on, the overall condition of the basic materials sector. Companies engaged in the production and distribution of basic materials may be adversely affected by changes in world events, political and economic

conditions, energy conservation, environmental policies, commodity price volatility, changes in exchange rates, imposition of import controls, increased competition, depletion of resources and labour relations.

### 9.13 Risk of Investing in the Industrials Sector.

The industrials sector comprises companies who produce capital goods used in construction and manufacturing, such as companies that make and sell machinery, equipment and supplies that are used to produce other goods. Companies in the industrials sector may be adversely affected by changes in government regulation, world events and economic conditions. In addition, companies in the industrials sector may be adversely affected by environmental damages, product liability claims and exchange rates.

### 9.14 Concentration Risk

The Fund's assets may be concentrated in a particular sector or sectors or industry or group of industries to the extent the Index concentrates in a particular sector or sectors or industry or group of industries. To the extent that the Fund's investments are concentrated in a particular sector or sectors or industry or group of industries, the Fund will be subject to the risk that economic, political or other conditions that have a negative effect on that sector or sectors or industry or group of industries will negatively impact the Fund to a greater extent than if the Fund's assets were invested in a wider variety of sectors or industries.

### 9.15 Risk of Issuer-Specific Changes

The value of individual securities or particular types of securities in the Fund's portfolio can be more volatile than the market as a whole and can perform differently from the value of the market as a whole, which may have a greater impact if the Fund's portfolio is concentrated in a country, group of countries, region, market or asset class. The value of securities of smaller issuers can be more volatile than that of larger issuers. A change in the financial condition, market perception or the credit rating of an issuer of securities included in the Index may cause the value of its securities to decline.

## 10 Dividend Policy

It is not proposed that the Directors will declare a dividend in respect of the Fund. Full details of any change to the Fund's dividend policy will be provided in an updated Supplement and all Shareholders will be notified in advance.

## 11 Key Information for Purchasing and SELLING

|                      |  |
|----------------------|--|
| <b>Base Currency</b> | US Dollar ( <b>USD</b> ).  |
| <b>Business Day</b>  | means every day other than a Saturday or Sunday (or such other day(s) as the Directors may from time to time determine and notify in advance to Shareholders).   |
| <b>Dealing Day</b>   | In general, each Business Day will be a Dealing Day. However, certain Business Days will not be Dealing Days where, in the sole determination of the Investment Manager: (i) markets on which the Fund's investments are listed or traded, or markets relevant to the Index are closed, and/or (ii) there is a public holiday in the jurisdiction in which the Investment Manager or its delegate(s), if applicable, |

|                         |  |
|-------------------------|--|
|                         | is or are based; provided there is at least one Dealing Day per fortnight. The Dealing Days for the Fund are available at <a href="http://www.vaneck.com">www.vaneck.com</a> .   |
| <b>Dealing Deadline</b> | 4:00 p.m. (Irish time) on the Business Day prior to the relevant Dealing Day.  |
| <b>Settlement Date</b>  | In the case of subscription(s), within 2 Business Days of the relevant Dealing Day.<br><br>In the case of repurchases, within 2 Business Days of the relevant Dealing Day.       |
| <b>Valuation Point</b>  | 11:00 p.m. (Irish time) on the relevant Dealing Day.   |
| <b>Website</b>          | <a href="http://www.vaneck.com">www.vaneck.com</a> -Information on portfolio composition and details of the intra-day portfolio value ( <b>iNAV</b> ) are set out on the website |

## Description of the Shares

|                                     |   |
|-------------------------------------|---|
| <b>Share Class</b>                  | A   |
| <b>ISIN</b>                         | IE00BF541080  |
| <b>Creation Unit</b>                | 50,000 Shares or such other amount as may be determined by the Directors at their discretion.   |
| <b>Minimum Initial Subscription</b> | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Initial Subscription. |
| <b>Minimum Holding</b>              | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Holding.              |

## 12 CHARGES AND EXPENSES

The following fees and expenses will be incurred by the Company on behalf of the Fund and will affect the Net Asset Value of the relevant Class of Share of the Fund:

|                    |   |
|--------------------|---|
| <b>Share Class</b> | A   |
| <b>Total Fee</b>   | Up to 0.40% per annum or such lower amount as may be advised to Shareholders from time to time. |

The Total Fee, a percentage of the Net Asset Value of the relevant Class of Shares (plus VAT, if any), is payable by the Company out of the Fund Assets to the Manager. The Total Fee will accrue on each

day and will be calculated on each Dealing Day and paid monthly in arrears. The Total Fee will cover all of the ordinary fees, operating costs and expenses payable by the Fund including fees and expenses paid to the Manager, all ordinary costs and expenses connected with the management and operating activities of the Fund, including investment management and advisory fees, Director's fees, registration, transfer agency, administration and custody fees, registrar fees, regulators and auditors and certain legal expenses of the Company. The Total Fee does not include extraordinary costs and expenses (including but not limited to transaction charges, stamp duty or other taxes on the investments of the Company including duty charges for portfolio re-balancing, withholding taxes, commissions and brokerage fees incurred with respect to the Company's investments, interest on any non-overdraft credit facility and charges incurred in negotiating, effecting or varying the terms of such facility, any commissions charged by intermediaries in relation to an investment in the Fund and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the Company all of which will be paid separately out of the assets of the Fund).

This section entitled **Charges and Expenses** should be read in conjunction with the sections entitled **General Charges and Expenses** and **Management Charges and Expenses** in the Prospectus.

### 13 Registration for public distribution and listing

Application is expected to be made to register the Fund for public distribution in various European countries.

Shares have been listed on Euronext Dublin and the London Stock Exchange. Through the operation of such a secondary market, persons who are not Authorised Participants or not able or willing to subscribe for and redeem Creation Units will be able to buy Shares from or sell Shares to other retail investors or market makers, broker/dealers, or other Authorised Participants at prices which should approximate, after currency conversion, the Net Asset Value of the Shares.

### 14 How to buy and sell Shares

Investors can buy and sell Shares on the secondary market as described above in accordance with the procedures set out in the section entitled **Secondary Market** in the Prospectus.

Investors can otherwise subscribe for or redeem Creation Units in accordance with the procedures set out in the Prospectus.

### 15 Sustainable finance disclosures

The Manager has categorised the Fund as meeting the provisions set out in Article 6 of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector ("**SFDR**") and does not follow a dedicated ESG investment strategy. The Fund does not have sustainable investment as its investment objective, nor does it promote environmental or social characteristics.

#### 15.1 Sustainability risks

Sustainability risk is the risk that the value of an investment will decline as a result of an environmental, social or governance (ESG) event or circumstance. Ecological events include climate change, scarcity of natural resources and pollution. Social events may include labor issues and product liability. Governance can include themes such as shareholder rights, business ethics, diversity and executive remuneration. Sustainability risks can arise in all kinds of forms. With regard to the theme of climate, for example, there is a distinction between transition risks and physical risks, whereby transition risks can be divided into legal and regulatory risks, technological risks, market risks and reputation risks. In addition, the impact of sustainability risk has various scopes, including company-specific, sector-



specific and on country level. The occurrence of a sustainability risk results in other (financial) risks manifesting. This can negatively affect the value of the investment.

Concrete examples of sustainability risks for this Fund are: The economic situation of a country is negatively affected by climate change, which can cause the country's creditworthiness to decline. A country is dependent on sectors that are negatively affected by the energy transition, which can cause the country's creditworthiness to decline. The expected impact of sustainability risks on the return depends on the type of sustainability risk that materializes. For emerging market bonds, the expected impact is generally viewed as significant.

## **15.2 Sustainability risk integration features**

The Fund has a passive investment policy whereby the Fund aims to follow the Index as closely as possible. The relevant Index has no specific sustainability characteristics. The Fund therefore does not have any specific sustainability characteristics as well.

The Investment Manager applies the following measures to integrate sustainability risks for this Fund:

### **Exclusions**

Exclusions apply to this Fund as further outlined in section 10 of the Prospectus.

## **15.3 Taxonomy Regulation Disclosure**

The underlying investments of the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

## **16 Other information**

New Funds may be created from time to time by the Directors with the prior approval of the Central Bank in which case further Supplements incorporating provisions relating to those Funds will be issued by the Company.

The names of the Funds currently approved by the Central Bank are listed in the Global Addendum.

## SCHEDULE I: INDEX DISCLAIMERS

VanEck Emerging Markets High Yield Bond UCITS ETF (the **Fund**) is not sponsored, endorsed, sold or promoted by ICE Data Indices, LLC (the **Index Provider**). The Index Provider has not passed on the legality or suitability of, or the accuracy or adequacy of descriptions and disclosures relating to the Fund, nor makes any representation or warranty, express or implied, to the owners of the Fund or any member of the public regarding the Fund or the advisability of investing in the Fund, particularly the ability of the ICE BofAML Diversified High Yield US Emerging Markets Corporate Plus Index (the "Index") to track performance of any market or strategy. The Index is determined, composed and calculated by the Index Provider without regard to the Fund or its holders. The Index Provider has no obligation to take the needs of the holders of the Fund into consideration in determining, composing or calculating the Index. The Index Provider is not responsible for and has not participated in the determination of the timing of, prices of, or quantities of the Fund to be issued or in the determination or calculation of the equation by which the Fund is to be priced, sold, purchased, or redeemed. The Index Provider has no obligation or liability in connection with the administration, marketing, or trading of the Fund.

THE INDEX PROVIDER DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE INDEX OR ANY DATA INCLUDED THEREIN AND THE INDEX PROVIDER SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, UNAVAILABILITY, OR INTERRUPTIONS THEREIN. THE INDEX PROVIDER MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE INVESTMENT MANAGER, HOLDERS OF THE FUND OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEX OR ANY DATA INCLUDED THEREIN. THE INDEX PROVIDER MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, WITH RESPECT TO THE INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL THE INDEX PROVIDER HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, INCIDENTAL, CONSEQUENTIAL DAMAGES, OR LOST PROFITS, EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

The Index and ICE Data Indices are trademarks of ICE Data Indices, LLC or its affiliates and have been licensed for use by the Investment Manager.

The indicative optimised portfolio value/intra-day portfolio value is calculated by S&P Global Ltd.

## VANECK UCITS ETFs plc

### Supplement dated 20 December 2024 for VanEck Global Fallen Angel High Yield Bond UCITS ETF

This Supplement contains specific information in relation to the **VanEck Global Fallen Angel High Yield Bond UCITS ETF** (the **Fund**), a sub-fund of **VanEck UCITS ETFs plc** (the **Company**), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank pursuant to the Regulations.

**This Supplement forms part of, may not be distributed unless accompanied by (other than to prior recipients of the Prospectus of the Company dated 20 December 2024, as may be amended, supplemented or modified from time to time), and should be read in conjunction with the Prospectus for the Company.**

THIS DOCUMENT IS IMPORTANT. YOU SHOULD NOT PURCHASE SHARES IN THE FUND DESCRIBED IN THIS SUPPLEMENT UNLESS YOU HAVE ENSURED THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT AND THE RISKS INVOLVED AND ARE SATISFIED THAT THE INVESTMENT IS SUITED TO YOUR CIRCUMSTANCES AND OBJECTIVES, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU ARE RECOMMENDED TO TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR.

The Directors of the Company whose names appear in the section entitled **Directors of the Company** in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

**The Fund may invest more than 30% of its Net Asset Value in securities which are below investment grade and accordingly investment in the Fund should not constitute a substantial portion of an investor's investment portfolio and may not be appropriate for all investors. Investors should also be aware of the potential for high volatility within the Fund.**

**Shares purchased on the secondary market cannot usually be sold directly back to the Fund. Investors must buy and sell Shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value when buying Shares and may receive less than the current Net Asset Value per Share when selling them.**

Certain risks attached to investments in the Fund are set out in the Prospectus in the section entitled **Risk Factors**.

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## 1 IMPORTANT INFORMATION

### 1.1 Profile of a typical investor

A typical investor is expected to be an informed investor who is able to bear capital and income risk, and should view investment in the Fund as a medium to long term investment. A typical investor is expected to be an investor who wishes to take exposure to the markets covered by the Fund's investment policy and is prepared to accept the risks associated with an investment of this type, including the volatility of such market.

### 1.2 General

This Supplement sets out information in relation to the Shares and the Fund. You must also refer to the Prospectus which is separate to this document and describes the Company and provides general information about offers of shares in the Company. You should not take any action in respect of the Shares unless you have received a copy of the Prospectus. Should there be any inconsistency between the contents of the Prospectus and this Supplement, the contents of this Supplement will, to the extent of any such inconsistency, prevail. This Supplement and the Prospectus should both be carefully read in their entirety before any investment decision with respect to Shares is made.

The Shares of the Fund have been admitted to listing on the Official List and trading on the Regulated Market of Euronext Dublin. This Supplement together with the Prospectus includes all information required to be disclosed by Euronext Dublin listing requirements and comprise listing particulars for the purpose of listing the Shares of the Fund on Euronext Dublin.

Neither the admission of Shares of the Fund to listing on the Official List and to trading on the Regulated Market of Euronext Dublin nor the approval of the listing particulars pursuant to the listing requirements of Euronext Dublin shall constitute a warranty or representation by Euronext Dublin as to the competence of service providers to or any other party connected with the Fund, the adequacy of information contained in the listing particulars or the suitability of the Fund for investment purposes.

As of the date of this Supplement, the Company does not have any loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

### 1.3 Suitability of Investment

**You are advised to inform yourself as to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Shares.**

**The Shares are not principal protected. The value of the Shares may go up or down and you may not get back the amount you have invested. See the section entitled Risk Factors of the Prospectus and the section entitled Risk Factors of this Supplement for a discussion of certain risks that should be considered by you.**

An investment in the Shares is only suitable for you if you are a sophisticated investor and (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

### 1.4 Distribution of this Supplement and Selling Restrictions

Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus and

is not authorised in any jurisdiction after publication of the audited annual report of the Company unless a copy of the then latest annual report and, if distributed after the semi-annual report has been produced, a copy of the then latest published semi-annual report and unaudited accounts is made available in conjunction with the Prospectus and this Supplement. The distribution of this Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. If you receive a copy of this Supplement and/or the Prospectus you may not treat such document(s) as constituting an offer, invitation or solicitation to you to subscribe for any Shares unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without compliance with any registration or other legal requirement other than those with which the Company has already complied. If you wish to apply for the opportunity to purchase any Shares it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile.

## 2 Investment Objective and Policies

### 2.1 Investment Objective

The Fund's investment objective is to replicate, before fees and expenses, the price and yield performance of the ICE Global Fallen Angel High Yield 10% Constrained Index (the **Index**). For a further description of the Index see the section entitled **Information on the Index** below.

### 2.2 Investment Policy

The Fund will seek to achieve its objective by investing in a diversified portfolio of US dollar, Canadian dollar, British pound sterling and Euro denominated below investment grade corporate and quasi-government fixed rate debt instruments publicly issued and traded on the major US or eurobond markets by both U.S. and non-U.S. issuers that were rated investment grade at the time of issuance (a **Fallen Angel**) and which consist of the component securities that comprise the Index. Further details in relation to the Index are set out in the section entitled **Information on the Index**.

The Fund, using a "passive" or indexing investment approach, attempts to approximate the investment performance of the Index by investing in a portfolio of securities (for example bonds and other constituents of the Index) that generally replicates the Index. The Investment Manager will regularly monitor the Fund's tracking accuracy. Information relating to the anticipated tracking error is set out in the section entitled **Investment Approach**.

Due to the practical difficulties and expense of purchasing all of the securities (debt instruments such as bonds) in the Index, the Fund does not purchase all of the securities in the Index. Instead, the Investment Manager utilises a "sampling" methodology in seeking to achieve the Fund's investment objective. As such, the Fund may purchase a subset of the securities in the Index in an effort to hold a portfolio of securities with generally the same risk and return characteristics of the Index. The Fund may concentrate its investments in a particular industry or group of industries or region to the extent that the Index concentrates in an industry or group of industries or region. Further details in relation to the investment approach are set out in the section entitled **Investment Approach**.

The Fund may invest in ancillary liquid assets and money market instruments which may include bank deposits, certificates of deposit, fixed or floating rate instruments, commercial paper, floating rate notes and freely transferable promissory notes. The ancillary liquid assets, money market instruments and FDI (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus.

### 2.3 Efficient Portfolio Management

Investors should note that the Fund may also invest in FDIs for efficient portfolio management or hedging purposes. The Fund may use futures, swaps and currency forwards which may for the avoidance of doubt include currency futures, currency swaps and currency forwards for the purpose of reducing risk associated with currency exposures within the Fund. This may on occasions lead to an increase in risk profile of the Fund or result in a fluctuation in the expected level of volatility. Please see the section entitled **Risk Factors** in the Prospectus in relation to such risks.

The Fund will employ the commitment approach to assess the Fund's global exposure and to ensure that the Fund's use of derivative instruments is within the limits specified by the Central Bank. Global exposure will be calculated daily. While the Fund may be leveraged through the use of the FDIs, any such leverage would not be in excess of 100% of the Fund's Net Asset Value.

Investment in FDIs is subject to the conditions and limits contained in the CBI UCITS Regulations issued by the Central Bank. Subject to these limits, the Fund may invest in FDIs dealt on any of the regulated markets set out in the list of Markets in Appendix II to the Prospectus (and/or over the counter FDIs (OTCs)) which will be used for efficient portfolio management and/or for hedging purposes.

The Company employs a risk management process which enables it to accurately measure, monitor and manage at any time the various risks associated with FDIs and their contribution to the overall risk profile of the portfolio of assets of the Fund. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments. The Fund will only invest in FDIs in accordance with the risk management policy prepared and submitted to the Central Bank in accordance with the Central Bank requirements.

The Fund may invest in FDIs dealt over-the-counter provided that the counterparties to over-the-counter transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

Position exposure to the underlying assets of FDIs, including embedded FDIs in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the CBI UCITS Regulations.

Please see the section entitled Use of Financial Derivative Instruments and Efficient Portfolio Management in the Prospectus in relation to FDI.

## 2.4 Securities Financing Transactions

While the Company may enter into securities financing transactions and repurchase agreements (**SFTs**) (as defined under Article 3 (11) of Regulation (EU) 2015/2365) (the **SFTR**), it is not anticipated that the Fund will enter into any SFTs. However, in the event that the Fund contemplates entering into such transactions, investors will be provided with further details of the structure and use of such transactions, together with any other information required to be disclosed to investors in accordance with Articles 13 and 14 of the SFTR. The Supplement will be updated accordingly in the event that the Fund will enter into any SFTs.

## 3 Investment Approach

The Fund, utilising a **passive** or indexing investment approach (i.e. the Fund will not be actively managed and will seek to replicate the Index), attempts to approximate the investment performance of the Index by investing in a portfolio of securities (diversified portfolio of US dollar, Canadian dollar, British pound sterling and Euro denominated below investment grade corporate and quasi-government debt) that generally replicates the Index. Credit ratings deemed to be 'below investment grade' are defined as meeting the following rating criteria: a rating of Ba1 or lower by an internationally recognised rating agency.

In order to seek to achieve this investment objective, the Investment Manager, on behalf of the Fund, will invest, using the representative sampling approach described below, primarily in the securities of the Index, at all times in accordance with the Investment Restrictions set forth in the Prospectus. The Investment Manager also may, in exceptional circumstances such as the unavailability of certain bonds or securities due to social unrest invest in securities not included in the Index but that it believes closely reflect the risk and distribution characteristics of securities of the Index. Details of the Fund's portfolio and the indicative net asset value per share for the Fund are available on the Website.

The representative sampling approach used by the Investment Manager seeks to build a representative portfolio that provides a return comparable to that of the Index. The Investment

Manager uses a representative sampling approach for the Fund because the Index contains too many securities to efficiently purchase and, at times, certain securities included in the Index are difficult to purchase in the open markets. Consequently, the Fund will typically hold only a subset of the securities included in the Index. The securities held by the Fund, representing a subset of all the securities in the Index, will generally have the characteristics of the Index and are chosen with the intention of tracking the performance of the Index with a predicted level of tracking error.

In building the Fund's portfolio using the representative sampling approach, the Investment Manager will select certain securities within the Index rather than all of the Index securities, paying close attention to the overall weights and exposures, including, but not limited to, sector weights, individual issuer weights and interest rate risk in order to avoid unintended biases. Further, the Investment Manager may sell securities that are represented in the Index in anticipation of their removal from the Index or purchase securities not represented in the Index in anticipation of their addition to the Index. The sampling process seeks to create an overall exposure that closely matches the Index.

Anticipated tracking error is based on the expected volatility of differences between the returns of the Fund and the returns of the Index. For a physically replicating exchange traded fund, one of the primary drivers of tracking error is the difference between the Fund's holdings and index constituents. Cash management, trading costs from rebalancing and withholding tax or stamp duty suffered by the Fund on any income received from its Investments can also have an impact on tracking error as well as the return differential between the Fund and the Index. The impact can be either positive or negative depending on the underlying circumstances. The anticipated tracking error of the Fund is not a guide to its future performance. The annualised tracking error envisaged is not anticipated to exceed 1.5% under normal market conditions.

#### 4 Investment Manager

Van Eck Associates Corporation has been appointed as the investment manager to the Fund. Please see the section entitled Investment Manager in the Prospectus for further details in relation to Van Eck Associates Corporation.

#### 5 Information on the Index

The Index is a subset of ICE Global Fallen Angel High Yield 10% Constrained Index including securities that were rated investment grade at the point of issuance. As of June 30, 2017, the Index included 238 below investment grade bonds of 96 issuers and approximately 14% of the Index was comprised of Rule 144A securities.

The ICE Global Fallen Angel High Yield 10% Constrained Index, of which the Index is a subset, tracks the performance of US dollar, Canadian dollar, British pound sterling and Euro denominated below investment grade corporate debt instruments publicly issued and traded on the major US or eurobond markets and that were rated investment grade at the point of issuance. Index constituents may come from one or more sectors which include but are not limited to the Basic Materials sector, Energy sector, Financial sector and/or Telecommunications sector.

Index constituents are market capitalization weighted, provided the total allocation to an individual issuer does not exceed 10%. Issuers that exceed the limit are reduced to 10% and the face value of each of their bonds is adjusted on a pro-rata basis. Similarly, the face values of bonds of all other issuers that fall below the 10% cap are increased on a pro-rata basis.

Qualifying securities, selected by a top-down approach as further described below, must have a below investment grade rating (based on an average of internationally recognised rating agencies), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of USD 250 million, EUR 250 million, GBP 100 million, or CAD 100 million. Original issue zero coupon bonds (a debt security that doesn't pay interest (a coupon) but is traded at a discount), eurodollar bonds (a bond denominated in a currency other than the home currency of the country or market in which it is issued), 144a securities (with and without registration rights), and pay-in-kind securities (type of bond that pays interest in additional bonds) including toggle notes (payment-in-kind bond, where the issuer has the option to defer an interest payment by agreeing to pay an increased coupon in the future) are included in the index.



Callable perpetual securities (securities with no fixed maturity but may be called by the issuer until a predefined date) are included provided they are at least one year from the first call date. Fixed-to-floating rate securities (for example, subordinated bank debt may have a fixed coupon and a call option embedded where the fixed coupon may be changed to a floating rate coupon on the occurrence of a specific event) are included provided they are callable within the fixed rate period and are at least one year from the last call prior to the date the bond transitions from a fixed to a floating rate security.

Capital securities (hybrid securities that combine the features of both corporate bonds and preferred stock for example, a convertible bond) where conversion can be mandated by a regulatory authority, but which have no specified trigger, are included in the index. Other hybrid capital securities (for example, a convertible bond), such as those issues that potentially convert into preference shares, those with both cumulative and noncumulative coupon deferral provisions, and those with alternative coupon satisfaction mechanisms, are also included in the index.

Contingent capital securities and securities issued or marketed primarily to retail investors, equity-linked securities, securities in legal default, hybrid securitized corporates, taxable and tax-exempt US municipal securities and DRD-eligible securities are excluded from the index.

Index constituents are weighted based on their current market capitalisation based on their current amount outstanding times the market price plus accrued interest. Accrued interest is calculated assuming next-day settlement. Cash flows from bond payments that are received during the month are retained in the index until the end of the month and then are removed as part of the rebalancing. Cash does not earn any reinvestment income while it is held in the index. Information concerning constituent bond prices, timing and conventions is provided in the BofA Merrill Lynch Bond Index Guide, which can be accessed on Bloomberg, or by sending a request to [mlindex@ml.com](mailto:mlindex@ml.com). The index is rebalanced on the last calendar day of the month, based on information available up to and including the third business day before the last business day of the month. No changes are made to constituent holdings other than on month end rebalancing dates.

## 6 Index Provider

The Index is published by ICE Data Indices, LLC (the **Index Provider**). The Index Provider does not sponsor, endorse, or promote the Fund and bears no liability with respect to the Fund or any security.

In accordance with Central Bank requirements, the Company is required to provide details of the Index Provider's website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company has no responsibility for the Index Provider's website and is not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof. Further information in relation to the Index may be found on the Index Provider's website, <http://www.mlindex.ml.com/gispublic/default.asp>.

## 7 Investment Restrictions

The general investment restrictions as set out in the Prospectus shall apply. The Fund may not invest more than 10% of its Net Asset Value in open-ended collective investment schemes.

There may be instances where the weighting of any constituent security of the Index could cause the Fund to breach the investment restrictions set out in the Prospectus. If such an event occurs, it is intended that the Fund will purchase other assets, the effect of which will seek to maintain, so far as is possible, the same economic exposure to and the same weighting of the security of that issuer in the Index without breaching its investment restrictions.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders.

## 8 Borrowing

The Fund may borrow money in an amount up to 10% of the market value of its net assets at any time for the account of any Fund and the Depositary may charge the assets of the Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Fund may acquire currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of the Regulations provided that the offsetting deposit is denominated in the Base Currency of the Fund and equals or exceeds the value of the foreign currency loan outstanding.

## 9 Risk Factors

The general risk factors as set out in the section entitled **Risk Factors** in the Prospectus apply.

Investors in the Fund should be willing to accept a high degree of volatility in the price of the Fund's Shares and the possibility of significant losses. An investment in the Fund involves a substantial degree of risk. Therefore, you are advised to consider carefully the following risks before investing in the Fund.

The value of investments and the income from them, and therefore the value of and income from the Shares can go down as well as up and an investor may not get back the amount invested. The Fund's exposure is based on the performance of the Index securities which, in turn, is exposed to general market movements (negative as well as positive).

An investment in the Fund may be subject to risks which include, among others, material transaction cost from rebalancing activity and fluctuations in the value of securities held by the Fund due to market and economic conditions or factors relating to specific issuers.

Certain additional risks may also be associated with the Fund, including, without limitation:

### 9.1 High Yield Securities Risk

Securities rated below investment grade are commonly referred to as high yield securities or "junk bonds". Junk bonds are subject to greater risk of loss of income and principal than higher rated securities and are considered speculative. The prices of junk bonds are likely to be more sensitive to adverse economic changes or individual issuer developments than higher rated securities. During an economic downturn or substantial period of rising interest rates, junk bond issuers may experience financial stress that would adversely affect their ability to service their principal and interest payment obligations, to meet their projected business goals or to obtain additional financing. In the event of a default, the Fund may incur additional expenses to seek recovery. The secondary market for securities that are junk bonds may be less liquid than the markets for higher quality securities, and high yield securities issued by non-corporate issuers may be less liquid than high yield securities issued by corporate issuers, which in either instance, may have an adverse effect on the market prices of and the Fund's ability to arrive at a fair value for certain securities. The illiquidity of the market could make it difficult for the Fund to sell certain securities in connection with a rebalancing of the Index. In addition, periods of economic uncertainty and change may result in an increased volatility of market prices of high yield securities and a corresponding volatility in the Fund's Net Asset Value.

### 9.2 Risk of Emerging Markets Issuers

Investments in securities of emerging market issuers are exposed to a number of risks that may make these investments volatile in price or difficult to trade. Emerging markets are more likely than developed markets to experience problems with the clearing and settling of trades, as well as the holding of securities by local banks, agents and depositories. Political risks may include unstable governments, nationalisation, restrictions on foreign ownership, laws that prevent investors from getting their money out of a country and legal systems that do not protect property rights as well as the laws in developed countries. Market risks may also include economies that concentrate in only a few industries, securities issues that are held by only a few investors, liquidity issues and limited trading capacity in local exchanges and the possibility that markets or issues may be manipulated by foreign nationals who have inside information. The frequency, availability and quality of financial information about investments in emerging markets varies. The Fund has limited rights and few practical remedies in emerging markets and the ability of authorities in developed countries to bring enforcement actions in emerging markets may be limited, and the Fund's passive investment approach does not take account of these risks. All of these factors can make emerging market securities more volatile and potentially less liquid than securities issued in more developed markets.

### 9.3 Call Risk

The Fund may invest in callable bonds. If interest rates fall, it is possible that issuers of callable securities will “call” (or prepay) their securities before their maturity date. If a call were exercised by the issuer during or following a period of declining interest rates, the Fund is likely to have to replace such called securities with a lower yielding security or securities with greater risks or other less favourable features. If that were to happen, it would decrease the Fund’s net investment income.

### 9.4 Foreign Currency Risk

Because all or a portion of the income received by the Fund from its investments and/or the revenues received by the underlying issuer will generally be being invested in debt denominated in foreign currencies, the Fund’s exposure to foreign currencies and changes in the value of foreign currencies versus the Base Currency may result in reduced returns for the Fund.

Moreover, the Fund may incur costs in connection with conversions between US Dollar and foreign currencies. Several factors may affect the price of euros and the British pound sterling, including the debt level and trade deficit of the EMU and the UK, inflation and interest rates of the EMU and the UK, investors’ expectations concerning inflation and interest rates and global or regional political, economic or financial events and situations. The European financial markets have recently experienced volatility and adverse trends due to economic downturns or concerns about rising government debt levels of certain European countries, each of which may require external assistance to meet its obligations and run the risk of default on its debt, possible bail out by the rest of the EU or debt restructuring. Assistance given to an EU member state may be dependent on a country’s implementation of reforms, including austerity measures, in order to curb the risk of default on its debt, and a failure to implement these reforms or increase revenues could result in a deep economic downturn.

The value of an emerging market country’s currency may be subject to a high degree of fluctuation. This fluctuation may be due to changes in interest rates, investors’ expectations concerning inflation and interest rates, the emerging market country’s debt levels and trade deficit, the effects of monetary policies issued by foreign governments, central banks or supranational entities, the imposition of currency controls or other national or global political or economic developments. The economies of certain emerging market countries can be significantly affected by currency devaluations. Certain emerging market countries may also have managed currencies which are maintained at artificial levels relative to the Base Currency rather than at levels determined by the market. This type of system could lead to sudden and large adjustments in the currency, which in turn, can have a negative effect on the Fund and its investments.

### 9.5 Risk of Subordinated Obligations

Payments under some below investment grade corporate and quasi-government debt securities may be structurally subordinated to all existing and future liabilities and obligations of each of the respective subsidiaries and associated companies of an issuer of securities. Claims of creditors of such subsidiaries and associated companies will have priority as to the assets of such subsidiaries and associated companies over the issuer and its creditors, including the Fund, who seek to enforce the terms of these securities. Certain below investment grade corporate and quasi-government debt securities do not contain any restrictions on the ability of the subsidiaries of the issuers to incur additional unsecured indebtedness.

### 9.6 Restricted Securities Risk

Rule 144A securities are restricted securities. Restricted securities are securities that are not registered under the Securities Act of 1933, as amended (the **Securities Act**). They may be less liquid and more difficult to value than other investments because such securities may not be readily marketable. The Fund may not be able to sell a restricted security promptly or at a reasonable time or price. Although there may be a substantial institutional market for these securities, it is not possible to predict exactly how the market for such securities will develop or whether it will continue to exist. A restricted security that was liquid at the time of purchase may subsequently become illiquid and its value may decline as a result. In addition, transaction costs may be higher for restricted securities than for more liquid securities. The Fund may have to bear the expense of registering restricted securities

for resale and the risk of substantial delays in effecting the registration.

#### **9.7 Risk of Investing in the Basic Materials Sector**

The Fund will be sensitive to, and its performance may depend to a greater extent on, the overall condition of the basic materials sector. Companies engaged in the production and distribution of basic materials may be adversely affected by changes in world events, political and economic conditions, energy conservation, environmental policies, commodity price volatility, changes in exchange rates, imposition of import controls, increased competition, depletion of resources and labour relations.

#### **9.8 Risk of Investing in the Consumer Discretionary Sector**

The Fund will be sensitive to, and its performance may depend to a greater extent on, the overall condition of the consumer discretionary sector. Companies engaged in the consumer discretionary sector are subject to fluctuations in supply and demand. These companies may also be adversely affected by changes in consumer spending as a result of world events, political and economic conditions, commodity price volatility, changes in exchange rates, imposition of import controls, increased competition, depletion of resources and labour relations.

#### **9.9 Risk of Investing in the Energy Sector**

The Fund will be sensitive to, and its performance may depend to a greater extent on, the overall condition of the energy sector. Companies operating in the energy sector are subject to risks including, but not limited to, economic growth, worldwide demand, political instability in the regions that the companies operate, government regulation stipulating rates charged by utilities, interest rate sensitivity, oil price volatility, energy conservation, environmental policies, depletion of resources, the cost of providing the specific utility services and other factors that they cannot control. Oil prices are subject to significant volatility, which has adversely impacted companies operating in the energy sector. In addition, these companies are at risk of civil liability from accidents resulting in injury, loss of life or property, pollution or other environmental damage claims and risk of loss from terrorism and natural disasters.

#### **9.10 Risk of Investing in the Financial Services Sector**

Companies in the financial services sector may be subject to extensive government regulation that affects the scope of their activities, the prices they can charge and the amount of capital they must maintain. The profitability of companies in the financial services sector may be adversely affected by increases in interest rates, by loan losses, which usually increase in economic downturns, and by credit rating downgrades. In addition, the financial services sector is undergoing numerous changes, including continuing consolidations, development of new products and structures and changes to its regulatory framework. Furthermore, some companies in the financial services sector perceived as benefitting from government intervention in the past may be subject to future government-imposed restrictions on their businesses or face increased government involvement in their operations. Increased government involvement in the financial services sector, including measures such as taking ownership positions in financial institutions, could result in a dilution of each Fund's investments in financial institutions. Recent developments in the credit markets may cause companies operating in the financial services sector to incur large losses, experience declines in the value of their assets and even cease operations.

#### **9.11 Risk of Investing in the Communications Sector**

The Fund will be sensitive to, and its performance may depend to a greater extent on, the overall condition of the communications sector. Companies in the communications sector may be affected by industry competition, substantial capital requirements, government regulations and obsolescence of communications products and services due to technological advancement.

#### **9.12 Risk of Investing in the Information Technology Sector**

The Fund will be sensitive to, and its performance may depend to a greater extent on, the overall condition of the information technology sector. Information technology companies face intense

competition, both domestically and internationally, which may have an adverse effect on profit margins. Information technology companies may have limited product lines, markets, financial resources or personnel. The products of information technology companies may face product obsolescence due to rapid technological developments and frequent new product introduction, unpredictable changes in growth rates and competition for the services of qualified personnel. Companies in the information technology sector are heavily dependent on patent protection and the expiration of patents may adversely affect the profitability of these companies.

### 9.13 Concentration Risk

The Fund's assets may be concentrated in a particular sector or sectors or industry or group of industries to the extent the Index concentrates in a particular sector or sectors or industry or group of industries. To the extent that the Fund's investments are concentrated in a particular sector or sectors or industry or group of industries, the Fund will be subject to the risk that economic, political or other conditions that have a negative effect on that sector or sectors or industry or group of industries will negatively impact the Fund to a greater extent than if the Fund's assets were invested in a wider variety of sectors or industries.

In addition, the Fund may invest a relatively high percentage of its assets in a smaller number of issuers or may invest a larger proportion of its assets in a single issuer in accordance with the requirements of the UCITS investment restrictions and the requirements of the Central Bank. As a result, the gains and losses on a single investment may have a greater impact on the Fund's Net Asset Value and may make the Fund more volatile than more diversified funds.

### 9.14 Risk of Issuer-Specific Changes

The value of individual securities or particular types of securities in the Fund's portfolio can be more volatile than the market as a whole and can perform differently from the value of the market as a whole, which may have a greater impact if the Fund's portfolio is concentrated in a country, group of countries, region, market or asset class. The value of securities of smaller issuers can be more volatile than that of larger issuers. A change in the financial condition, market perception or the credit rating of an issuer of securities included in the Index may cause the value of its securities to decline.

## 10 Dividend Policy

It is not proposed that the Directors will declare a dividend in respect of the Fund. Full details of any change to the Fund's dividend policy will be provided in an updated Supplement and all Shareholders will be notified in advance.

## 11 Key Information for Purchasing and SELLING

|                      |   |
|----------------------|---|
| <b>Base Currency</b> | US Dollar ( <b>USD</b> ).   |
| <b>Business Day</b>  | means every day other than a Saturday or Sunday (or such other day(s) as the Directors may from time to time determine and notify in advance to Shareholders).  |
| <b>Dealing Day</b>   | In general, each Business Day will be a Dealing Day. However, certain Business Days will not be Dealing Days where, in the sole determination of the Investment Manager: (i) markets on which the Fund's investments are listed or traded, or markets relevant to the Index are closed, and/or (ii) there is a public holiday in the jurisdiction in which the Investment Manager or its delegate(s), if applicable, is or are based; provided there is at least one Dealing Day per fortnight. The Dealing Days for the Fund are available at <a href="http://www.vaneck.com">www.vaneck.com</a> . |

|                         |  |
|-------------------------|--|
| <b>Dealing Deadline</b> | 4:00 p.m. (Irish time) on the Business Day prior to the relevant Dealing Day.  |
| <b>Settlement Date</b>  | In the case of subscription(s), within 2 Business Days of the relevant Dealing Day.<br><br>In the case of repurchases, within 2 Business Days of the relevant Dealing Day. |
| <b>Valuation Point</b>  | 11:00 p.m. (Irish time) on the relevant Dealing Day.   |
| <b>Website</b>          | www.vaneck.com -Information on portfolio composition and details of the intra-day portfolio value ( <b>iNAV</b> ) are set out on the website                               |

### Description of the Shares

|                                     |   |
|-------------------------------------|---|
| <b>Share Class</b>                  | A   |
| <b>ISIN</b>                         | IE00BF540Z61  |
| <b>Creation Unit</b>                | 50,000 Shares or such other amount as may be determined by the Directors at their discretion.   |
| <b>Minimum Initial Subscription</b> | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Initial Subscription. |
| <b>Minimum Holding</b>              | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Holding.              |

## 12 CHARGES AND EXPENSES

The following fees and expenses will be incurred by the Company on behalf of the Fund and will affect the Net Asset Value of the relevant Class of Share of the Fund:

|                    |   |
|--------------------|---|
| <b>Share Class</b> | A   |
| <b>Total Fee</b>   | Up to 0.40% per annum or such lower amount as may be advised to Shareholders from time to time. |

The Total Fee, a percentage of the Net Asset Value of the relevant Class of Shares (plus VAT, if any), is payable by the Company out of the Fund Assets to the Manager. The Total Fee will accrue on each day and will be calculated on each Dealing Day and paid monthly in arrears. The Total Fee will cover all of the ordinary fees, operating costs and expenses payable by the Fund including fees and expenses paid to the Manager, all ordinary costs and expenses connected with the management and operating activities of the Fund, including investment management and advisory fees, Director's fees, registration, transfer agency, administration and custody fees, registrar fees, regulators and auditors and certain legal expenses of the Company. The Total Fee does not include extraordinary costs and expenses (including but not limited to transaction charges, stamp duty or other taxes on the investments of the Company including duty charges for portfolio re-balancing, withholding taxes, commissions and brokerage fees incurred with respect to the Company's investments, interest on any

non-overdraft credit facility and charges incurred in negotiating, effecting or varying the terms of such facility, any commissions charged by intermediaries in relation to an investment in the Fund and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the Company all of which will be paid separately out of the assets of the Fund).

This section entitled **Charges and Expenses** should be read in conjunction with the sections entitled **General Charges and Expenses** and **Management Charges and Expenses** in the Prospectus.

### 13 Registration for public distribution and listing

Application is expected to be made to register the Fund for public distribution in various European countries.

Shares have been listed on Euronext Dublin and the London Stock Exchange. Through the operation of such a secondary market, persons who are not Authorised Participants or not able or willing to subscribe for and redeem Creation Units will be able to buy Shares from or sell Shares to other retail investors or market makers, broker/dealers, or other Authorised Participants at prices which should approximate, after currency conversion, the Net Asset Value of the Shares.

### 14 How to buy and sell Shares

Investors can buy and sell Shares on the secondary market as described above in accordance with the procedures set out in the section entitled **Secondary Market** in the Prospectus.

Investors can otherwise subscribe for or redeem Creation Units in accordance with the procedures set out in the Prospectus.

### 15 SUSTAINABLE FINANCE DISCLOSURE

The Manager has categorised the Fund as meeting the provisions set out in Article 6 of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector ("**SFDR**") and does not follow a dedicated ESG investment strategy. The Fund does not have sustainable investment as its investment objective, nor does it promote environmental or social characteristics.

#### 15.1 Sustainability risks

Sustainability risk is the risk that the value of an investment will decline as a result of an environmental, social or governance (ESG) event or circumstance. Ecological events include climate change, scarcity of natural resources and pollution. Social events may include labor issues and product liability. Governance can include themes such as shareholder rights, business ethics, diversity and executive remuneration. Sustainability risks can arise in all kinds of forms. With regard to the theme of climate, for example, there is a distinction between transition risks and physical risks, whereby transition risks can be divided into legal and regulatory risks, technological risks, market risks and reputation risks. In addition, the impact of sustainability risk has various scopes, including company-specific, sector-specific and on country level. The occurrence of a sustainability risk results in other (financial) risks manifesting. This can negatively affect the value of the investment.

Concrete examples of sustainability risks for this Fund are: a company has an overly generous remuneration policy or a remuneration policy that is inconsistent with the interests of bondholders. This can cause the bond's creditworthiness to decline. Also, a company's reputation can deteriorate as a result of negative publicity about an environmental or labor issue that can lower its creditworthiness. Furthermore, a company can be negatively affected by climate change, which can cause its creditworthiness to decline. The expected impact of sustainability risks on the return depends on the type of sustainability risk that materializes. For developed market bonds, the expected impact is generally viewed as significant.

#### 15.2 Sustainability risk integration features

The Fund has a passive investment policy whereby the Fund aims to follow the Index as closely as possible. The relevant Index has no specific sustainability characteristics. The Fund therefore does

not have any specific sustainability characteristics as well.

The Investment Manager applies the following measures to integrate sustainability risks for this Fund:

### **Exclusions**

Exclusions apply to this Fund as further outlined in section 10 of the Prospectus.

#### **15.3 Taxonomy Regulation Disclosure**

The underlying investments of the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

#### **16 Other information**

New Funds may be created from time to time by the Directors with the prior approval of the Central Bank in which case further Supplements incorporating provisions relating to those Funds will be issued by the Company.

The names of the Funds currently approved by the Central Bank are listed in the Global Addendum.



## SCHEDULE I: INDEX DISCLAIMERS

VanEck Global Fallen Angel High Yield Bond UCITS ETF (the **Fund**) is not sponsored, endorsed, sold or promoted by ICE Data Indices, LLC (the **Index Provider**). The Index Provider has not passed on the legality or suitability of, or the accuracy or adequacy of descriptions and disclosures relating to the Fund, nor makes any representation or warranty, express or implied, to the owners of the Fund or any member of the public regarding the Fund or the advisability of investing in the Fund, particularly the ability of the ICE Global Fallen Angel High Yield 10% Constrained Index (the "Index") to track performance of any market or strategy. The Index is determined, composed and calculated by the Index Provider without regard to the Fund or its holders. The Index Provider has no obligation to take the needs of the holders of the Fund into consideration in determining, composing or calculating the Index. The Index Provider is not responsible for and has not participated in the determination of the timing of, prices of, or quantities of the Fund to be issued or in the determination or calculation of the equation by which the Fund is to be priced, sold, purchased, or redeemed. The Index Provider has no obligation or liability in connection with the administration, marketing, or trading of the Fund.

THE INDEX PROVIDER DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE INDEX OR ANY DATA INCLUDED THEREIN AND THE INDEX PROVIDER SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, UNAVAILABILITY, OR INTERRUPTIONS THEREIN. THE INDEX PROVIDER MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE INVESTMENT MANAGER, HOLDERS OF THE FUND OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEX OR ANY DATA INCLUDED THEREIN. THE INDEX PROVIDER MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, WITH RESPECT TO THE INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL THE INDEX PROVIDER HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, INCIDENTAL, CONSEQUENTIAL DAMAGES, OR LOST PROFITS, EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

The Index and ICE Data Indices are trademarks of ICE Data Indices, LLC or its affiliates and have been licensed for use by the Investment Manager.

The indicative optimised portfolio value/intra-day portfolio value is calculated by S&P Global Ltd.

**VANECK UCITS ETFs plc**

**Supplement dated 20 December 2024**

**for**

**VanEck S&P Global Mining UCITS ETF**

This Supplement contains specific information in relation to the **VanEck S&P Global Mining UCITS ETF** (the **Fund**), a sub-fund of **VanEck UCITS ETFs plc** (the **Company**), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank pursuant to the Regulations.

**This Supplement forms part of, may not be distributed unless accompanied by (other than to prior recipients of the Prospectus of the Company dated 20 December 2024, as may be amended, supplemented or modified from time to time), and should be read in conjunction with the Prospectus for the Company.**

THIS DOCUMENT IS IMPORTANT. YOU SHOULD NOT PURCHASE SHARES IN THE FUND DESCRIBED IN THIS SUPPLEMENT UNLESS YOU HAVE ENSURED THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT AND THE RISKS INVOLVED AND ARE SATISFIED THAT THE INVESTMENT IS SUITED TO YOUR CIRCUMSTANCES AND OBJECTIVES, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU ARE RECOMMENDED TO TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR.

The Directors of the Company whose names appear in the section entitled **Directors of the Company** in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Shares purchased on the secondary market cannot usually be sold directly back to the Fund. Investors must buy and sell Shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value when buying Shares and may receive less than the current Net Asset Value per Share when selling them.

Certain risks attached to investments in the Fund are set out in the Prospectus in the section entitled **Risk Factors**.

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## **1 IMPORTANT INFORMATION**

### **1.1 Profile of a typical investor**

A typical investor is expected to be an informed investor who, is able to bear capital and income risk, and should view investment in the Fund as a medium to long term investment.

### **1.2 General**

This Supplement sets out information in relation to the Shares and the Fund. You must also refer to the Prospectus which is separate to this document and describes the Company and provides general information about offers of shares in the Company. You should not take any action in respect of the Shares unless you have received a copy of the Prospectus. Should there be any inconsistency between the contents of the Prospectus and this Supplement, the contents of this Supplement will, to the extent of any such inconsistency, prevail. This Supplement and the Prospectus should both be carefully read in their entirety before any investment decision with respect to Shares is made.

The Shares of the Fund have been admitted to listing on the Official List and trading on the Regulated Market of Euronext Dublin. This Supplement together with the Prospectus includes all information required to be disclosed by Euronext Dublin listing requirements and comprise listing particulars for the purpose of listing the Shares of the Fund on Euronext Dublin.

Neither the admission of Shares of the Fund to listing on the Official List and to trading on the Regulated Market of Euronext Dublin nor the approval of the listing particulars pursuant to the listing requirements of Euronext Dublin shall constitute a warranty or representation by Euronext Dublin as to the competence of service providers to or any other party connected with the Fund, the adequacy of information contained in the listing particulars or the suitability of the Fund for investment purposes.

As of the date of this Supplement, the Company does not have any loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

### **1.3 Suitability of Investment**

You should inform yourself as to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Shares.

The Shares are not principal protected. The value of the Shares may go up or down and you may not get back the amount you have invested. See the section entitled Risk Factors of the Prospectus and the section entitled Risk Factors of this Supplement for a discussion of certain risks that should be considered by you.

An investment in the Shares is only suitable for you if you are a sophisticated investor and (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from

such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

## 1.4 Distribution of this Supplement and Selling Restrictions

Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus and is not authorised in any jurisdiction after publication of the audited annual report of the Company unless a copy of the then latest annual report and, if distributed after the semi-annual report has been produced, a copy of the then latest published semi-annual report and unaudited accounts is made available in conjunction with the Prospectus and this Supplement. The distribution of this Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. If you receive a copy of this Supplement and/or the Prospectus you may not treat such document(s) as constituting an offer, invitation or solicitation to you to subscribe for any Shares unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without compliance with any registration or other legal requirement other than those with which the Company has already complied. If you wish to apply for the opportunity to purchase any Shares it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile.

## 2 Investment Objective and Policies

### 2.1 Investment Objective

The Fund's investment objective is to replicate, before fees and expenses, the price and yield performance of an index that provides exposure to the performance of companies whose predominant economic activity is the mining and extraction of precious metals and minerals. For a further description of the Index see the section entitled **Information on the Index** below.

### 2.2 Investment Policy

In order to seek to achieve its investment objective, the Manager will normally use a replication strategy by investing directly in the underlying equity securities of S&P Global Mining Reduced Coal Index (the "**Index**"), being the stock, American depository receipts (**ADRs**), global depository receipts (**GDRs**), China B shares and China H shares issued by mining and metals companies whose predominant economic activity is the production of base metals and industrial minerals, listed or traded on the Markets referred to in Appendix II of the Prospectus. The Fund may hold the equity securities of companies whose predominant economic activity is in gold or other precious metal or mineral mining. The Fund does not hold physical gold or metal.

The Fund will seek the prior approval of the Central Bank should the Fund seek to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. In exceptional market circumstances, such as, but not limited to, a material price movement impacting the weighting of an underlying equity security of the Index or disruptive market conditions or extremely volatile markets, an underlying equity security of the Index which is held by the Fund may exceed the regulatory limits intra rebalancing dates which would result in the Fund seeking to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. Where it is not practical or cost efficient for the Fund to fully replicate the Index, the Manager may utilise an optimised sampling methodology. Further detail with respect of this approach is set out in the section entitled **Investment Approach** below.

The Fund may invest up to 15% of its Net Asset Value directly in shares issued by companies listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, traded in foreign currencies and available for investment by domestic (Chinese) investors and foreign investors. For the avoidance of

doubt, the Fund may invest in China B shares and China H shares. China B shares are issued by issuers incorporated in China, which trade on the Shanghai and Shenzhen exchanges, are quoted in foreign currencies (such as USD) and are open to foreign investors. China H shares are issued by issuers which are incorporated in China and trade on the Hong Kong stock exchange.

**The Fund may also (or alternatively) invest in financial derivative instruments (FDIs) which relate to the Index or constituents of the Index.** The FDIs which the Fund may use are futures, swaps (for example index swaps and equity swaps), currency forwards and non-deliverable forwards (a forward contract that does not require settlement on maturity) (**NDFs**). Futures may be used in order to equitise cash balances (i.e. gaining exposure to equity markets through investment in derivatives for efficient portfolio management purposes) pending investment of subscription proceeds or other cash balances held by the Fund to seek to reduce tracking error. Currency forwards and NDFs may be used to hedge currency exposures. The Fund may use FDIs as an alternative to direct investment in the constituents of the Index in order to avail of the related cost or liquidity advantages of FDIs which may, in certain circumstances, be available over the direct investment in the constituents of the Index. The Fund may also use ADRs, GDRs or participation notes (**P Notes**) to gain exposure to equity securities instead of using physical securities in circumstances where, due to local restrictions or quota limitations, it is not possible to hold these directly or where it is otherwise advantageous to the Fund to do so.

The Fund may also invest in ancillary liquid assets and money market instruments which may include bank deposits, depositary receipts, certificates of deposit, commercial paper, floating rate notes and freely transferable promissory notes. The ancillary liquid assets, money market instruments and FDI (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus. Investment in ancillary liquid assets and money market instruments may be utilised in a variety of circumstances, including but not limited to, situations such as managing total exposure to cash and borrowing on a short term basis and in anticipation of participation in a rights offering.

## 2.3 Efficient Portfolio Management

Investors should note that the Fund may invest in FDIs for efficient portfolio management or hedging purposes only. The Fund may use futures, swaps and currency forwards for the purpose of reducing risk associated with currency exposures within the Fund. This may on occasions lead to an increase in risk profile of the Fund or result in a fluctuation in the expected level of volatility. Please see the section entitled **Risk Factors** in the Prospectus in relation to such risks.

The Fund will employ the commitment approach to assess the Fund's global exposure and to ensure that the Fund's use of derivative instruments is within the limits specified by the Central Bank. Global exposure will be calculated daily. While the Fund may be leveraged through the use of the FDIs, any such leverage would not be expected to be in excess of 100% of the Fund's Net Asset Value.

Investment in FDIs is subject to the conditions and limits contained in the CBI UCITS Regulations. Subject to these limits, the Fund may invest in FDIs dealt on any of the regulated markets set out in the list of Markets in Appendix II to the Prospectus (and/or over the counter FDIs (OTCs)) which will be used for efficient portfolio management and/or for hedging purposes.

The Company employs a risk management process which enables it to accurately measure, monitor and manage at any time the various risks associated with FDIs and their contribution to the overall risk profile of the portfolio of assets of the Fund. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments. The Fund will only invest in FDIs in accordance with the risk

management policy prepared and submitted to the Central Bank in accordance with the Central Bank requirements.

A Fund may invest in FDIs dealt over-the-counter provided that the counterparties to over-the-counter transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

Position exposure to the underlying assets of FDIs, including embedded FDIs in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the CBI UCITS Regulations.

Investors are referred to the section entitled **Use of Financial Derivative Instruments and Efficient Portfolio Management** in the Prospectus.

## 2.4 Securities Financing Transactions

While the Company may enter into securities financing transactions and repurchase agreements (**SFTs**) (as defined under Article 3 (11) of Regulation (EU) 2015/2365) (the **SFTR**), it is not anticipated that the Fund will enter into any SFTs. However, in the event that the Fund contemplates entering into such transactions, investors will be provided with further details of the structure and use of such transactions, together with any other information required to be disclosed to investors in accordance with Articles 13 and 14 of the SFTR. The Supplement will be updated accordingly in the event that the Fund will enter into any SFTs.

## 3 Investment Approach

In order to seek to achieve its investment objective, the investment policy of the Fund is to use a replication strategy by investing directly in the underlying equity securities that consists of the component securities of the Index. The Fund will be 'passively' managed.

Where full replication is not possible, the Fund will invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities that generally replicate the Index. However, under various circumstances, it may not be practicable and possible to invest in such equity securities in proportion to their weightings in the Index. It is not expected that the Fund would invest in securities outside the Index under normal circumstances. In extraordinary circumstances the Fund may use such other techniques including, but not limited to, representative or "optimised" sampling to gain access to stocks which provide economic characteristics similar to the security in the Index. There also may be instances, for example if one or more securities are suspended from trading or in situations where the Fund is forced to liquidate particular securities, in which the Manager may choose to overweight a security in the Index, purchase securities not in the Index which the Manager believes are appropriate to substitute for certain securities in the Index or utilise other investment techniques in seeking to replicate, before fees and expenses, the price and yield performance of the Index. The Fund may sell securities that are represented in the Index in anticipation of their removal from the Index or purchase securities not represented in the Index in anticipation of their addition to the Index.

Anticipated tracking error is based on the expected volatility of differences between the returns of the relevant fund and the returns of its benchmark index. For a physically replicating ETF, one of the primary drivers of tracking error is the difference between a Fund's holdings and index constituents. Cash management, trading costs from rebalancing and withholding tax suffered by the Fund on any income received from its Investments can also have an impact on tracking error as well as the return differential between the ETF and the benchmark index. The impact can be either positive or negative depending on the underlying circumstances. The anticipated tracking error of a Fund is not a guide to its future

performance. The annualised tracking error envisaged is not anticipated to exceed 0.60 % under normal market conditions.

#### 4 Information on the Index

The Index seeks to track the returns of companies in the metal and mineral extraction industries. The universe from which the Index is drawn is a constituent of S&P Global Mining Index (the “**Parent Index**”) which measures the performance of stocks in the metals & mining industries in the S&P Global Broad Market Index (BMI) classified as part of certain Global Industrial Codes Standards (“**GICS**”) and Standard Industrial Classification (SIC) (North American Industry Classification System – “**NAICS**”) categories and that exhibit certain positive mining activities. The Parent Index is a float-adjusted market capitalization (“**FMC**”) and capped market capitalization weighted index.

The Parent Index includes companies from all over the world (excluding Saudi Arabia and Qatar) that are involved in various aspects of the mining industry, such as exploration, development, production and refining. The constituents must have a minimum total market capitalization of USD 750 million and must have a minimum three-month Median Daily Value Traded of USD 1 million. Using data sourced from S&P Global Commodity Insights, stocks must exhibit at least one of the below positive criteria for the prior fiscal year for any of the following metals: aluminium, chromium, coal, cobalt, copper, gold, graphite, iron ore, lanthanides, lead, lithium, manganese, molybdenum, nickel, palladium, platinum, silver, tin, titanium, uranium, and zinc.

- a) Positive global production value
- b) Positive sales volume
- c) Positive royalty revenue
- d) Positive reserves

In addition to the above, at each rebalancing reference date, a stock must satisfy the following criteria. classifications. Stocks must be classified under one of the following:

- GICS Sub-Industries: 10102050 (coal & consumable fuels), 15104010 (aluminium), 15104020 (diversified metals & mining), 15104025 (copper), 15104030 (gold), 15104040 (precious metals & minerals), 15104045 (silver), or 15104050 (steel).
- SIC (NAICS): 1000 (metal mining), 1021 (copper ore and nickel ore mining), 1031 (lead ore and zinc ore mining), 1040 (gold and silver ores), 1041 (gold ore mining), 1044 (silver ore mining), 1061 (ferroalloy ores, except vanadium), 1090 (miscellaneous metal ores), 1099 (all other metal ore mining), 1220 (bituminous coal & lignite mining), 1221 (bituminous coal & lignite surface mining), 1400 (mining & quarrying of non-metallic minerals), 3330 (primary smelting & refining of nonferrous metals), 3334 (primary production of aluminium), 3350 (rolling drawing & extruding of nonferrous metals), or 6795 (mineral royalty traders).

The Index is rebalanced on a quarterly basis. The changes to the Parent Index and the Index are effective as at the close of business on the third Friday of March, June, September and December each year (the **Effective Date**). At each reconstitution and rebalancing of the Index, constituents are FMC weighted, subject to the following constraints:

- Single constituent weights cannot exceed 9%.
- Single constituent weights over 4.5% cannot exceed 36% of the total index weight.



If any constituent breaches the above constraints the weight of the constituent is capped, and the excess weight is proportionally redistributed to all uncapped constituents. The process continues iteratively until both constraints are satisfied.

The procedure for assigning capped weights to each constituent at each rebalancing is as follows:

1. With data reflected on the rebalancing reference date, each constituent is weighted by float-adjusted market capitalization.
2. If any constituent has a weight greater than 9% that constituent has its weight capped at 9%.
3. All excess weight is proportionally redistributed to all uncapped constituents within the index.
4. After this redistribution, if the weight of any other constituent(s) then breaches 9%, the process is repeated iteratively until no constituents breach the 9% weight cap.
5. The sum of the constituents with weight greater than 4.5% cannot exceed 36% of the total weight.
6. If the rule in step 5 is breached, all the constituents are ranked in descending order of their weights and the constituent with the lowest weight that causes the 36% limit to be breached is identified. The weight of this constituent is, then, reduced either until the rule in step 5 is satisfied or it reaches 4.5%.
7. This excess weight is proportionally redistributed to all constituents with weights below 4.5%. Any stock that receives weight cannot breach the 4.5% cap. This process is repeated iteratively until step 5 is satisfied or until all stocks are greater than or equal to 4.5%.
8. If the rule in step 5 is still breached and all stocks are greater than or equal to 4.5%, the constituent with the lowest weight that causes the 36% limit to be breached is identified. The weight of this constituent is, then, reduced either until the rule in step 5 is satisfied or it reaches 4.5%.
9. This excess weight is proportionally redistributed to all constituents with weights greater than 4.5%. Any stock that receives weight cannot breach the 9% stock cap. This process is repeated iteratively until step 5 is satisfied.

## Index exclusions

The Index excludes constituents from India and a stock must satisfy the following criteria:

- Companies with the following specific business activities, as determined by Sustainalytics, are excluded:

| Sustainalytics Involvement | Product | Sustainalytics Involvement & Description                         | Category of | Sustainalytics Involvement Proxy | S&P DJI Level of involvement threshold |
|----------------------------|---------|--|-------------|----------------------------------|--|
| Thermal Coal               |         | Extraction: The company extracts thermal coal.                   |             | Revenue                          | ≥ 50%                                  |
|                            |         | Generation: The company generates electricity from thermal coal. |             |                                  | ≥ 50%                                  |

The Information on the Index contains a summary of the principal features of the Index and is not a complete description of the Index. In case of inconsistency between the Information on the Index contained in this summary and the complete description of the Index which can be found on the Index Provider's website, the complete description of the Index prevails. Information on the Index appears on the website identified in the section entitled "Index Provider". Such information may change from time to time and details of the changes will appear on that website.

## 5 Index Provider

The Index is published by S&P Dow Jones Indices LLC, (the **Index Provider**). The Index Provider does not sponsor, endorse, or promote the Fund and bears no liability with respect to the Fund or any security.

In accordance with Central Bank requirements, the Company is required to provide details of the Index Provider's website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company has no responsibility for the Index Provider's website and is not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof. Further information in relation to the Index may be found on the Index Provider's website, <https://www.spglobal.com/spdji/en/indices/equity/sp-global-mining-reduced-coal-index/#overview>.

## 6 Investment Restrictions

The general investment restrictions as set out in the Prospectus shall apply. The Fund may not invest more than 10% of its Net Asset Value in open-ended collective investment schemes.

The Fund may not invest less than 51% of its Net Asset Value in equity securities which constitute "equity participation" within the meaning of section 2, Article 8 of the German Investment Tax Act (Investmentsteuergesetz). Equity participation in this context consists of shares in corporations traded or admitted for trading on a regulated market or multilateral trading facility (MTF) considered as such by the European Securities and Markets Authority (ESMA). The actual equity participation ratios of target investment funds can be taken into account.

There may be instances where the weighting of any constituent security of the Index could cause the Fund to breach the investment restrictions set out in the Prospectus. If such an event occurs, it is intended that the Fund will purchase other assets, the effect of which will seek to maintain, so far as is possible, the same economic exposure to and the same weighting of the security of that issuer in the Index without breaching its investment restrictions.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders.

## 7 Borrowing

The Fund may borrow money in an amount up to 10% of the market value of its net assets at any time for the account of any Fund and the Depositary may charge the assets of the Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Fund may acquire currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of the Regulations provided that the offsetting deposit is denominated in the Base Currency of the Fund and equals or exceeds the value of the foreign currency loan outstanding.

## 8 Risk Factors

The general risk factors as set out in the section entitled **Risk Factors** in the Prospectus apply.

Investors in the Fund should be willing to accept a high degree of volatility in the price of the Fund's Shares and the possibility of significant losses. An investment in the Fund involves a substantial degree of risk. Therefore, you should consider carefully the following risks before investing in the Fund.

The value of investments and the income from them, and therefore the value of and income from the Shares can go down as well as up and an investor may not get back the amount invested. The Fund's exposure is based on the performance of the Index securities which, in turn, is exposed to general market movements (negative as well as positive).

An investment in the Fund may be subject to risks which include, among others, material transaction cost from rebalancing activity and fluctuations in the value of securities held by the Fund due to market and economic conditions or factors relating to specific issuers.

Certain additional risks may also be associated with the Fund, including, without limitation:

### 8.1 Risk of Investing in Natural Resources Companies

The Fund will be sensitive to, and its performance will depend to a greater extent on, the overall condition of the natural resources sector. Investments in natural resources and the natural resources sector can be significantly affected by events relating to these industries, including international political and economic developments, embargoes, tariffs, inflation, weather and natural disasters, limits on exploration, often rapid changes in the supply and demand for natural resources and other factors. The Fund's portfolio securities may experience substantial price fluctuations as a result of these factors, and may move independently of the trends of operating companies. Natural resources companies may be adversely affected by changes in government policies and regulations, technological advances and/or obsolescence, environmental damage claims, energy conservation efforts, the success of exploration projects, limitations on the liquidity of certain natural resources and commodities and competition from new market entrants. Changes in general economic conditions, including commodity price volatility, changes in exchange rates, imposition of import controls, rising interest rates, prices of raw materials and other commodities, depletion of resources and labour relations, could adversely affect the Fund's portfolio companies.

### 8.2 Risk of Investing in the Basic Materials Sector

To the extent that the Fund continues to be concentrated in the basic materials (exploration/production of industrial metals) sector, the Fund will be sensitive to changes in, and its performance will depend to a greater extent on, the overall condition of the basic materials sector. Companies engaged in the production and distribution of basic materials may be adversely affected by changes in world events, political and economic conditions, energy conservation, environmental policies, commodity price volatility, changes in exchange rates, imposition of import controls, increased competition, depletion of resources and labour relations.

### 8.3 Risk of Investing in the Mining Industry

As the Fund may invest in stocks of U.S. and non-U.S. companies that are involved in mining, the Fund is subject to certain risks associated with such mining companies. Investments in mining companies may be speculative. Competitive pressures may have a significant effect on the financial condition of such companies. Mining companies are highly dependent on the price of the underlying metal or element. These prices may fluctuate substantially over short periods of time so the Fund's Share price

may be more volatile than other types of investments. In particular, a drop in the price of coal, gold, silver bullion, steel or rare earth/strategic metals would particularly adversely affect the profitability of small- and medium-capitalisation mining companies and their ability to secure financing. Furthermore, companies that are only in the exploration stage are typically unable to adopt specific strategies for controlling the impact of such price changes.

Some of the companies in the Index may be early stage mining companies that are in the exploration stage only or that hold properties that might not ultimately produce these metals. Exploration and development involves significant financial risks over a significant period of time which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. Major expenditures may be required to establish reserves by drilling and to construct mining and processing facilities at a site. In addition, many early stage miners operate at a loss and are dependent on securing equity and/or debt financing, which might be more difficult to secure for an early stage mining company than for a more established counterpart.

#### **8.4 Risk of Investing in Small- and Medium Capitalization Companies**

The securities of small- and medium-capitalisation companies may be more volatile and less liquid than the securities of large companies. As securities of small- and medium-capitalisation companies may experience more market price volatility than securities of larger companies, the net asset value of any fund which invests in small- and medium-capitalisation companies (such as the Fund) may reflect this volatility. Small- and medium-capitalisation companies, when compared with larger companies, may have a shorter history of operations, fewer financial resources, less competitive strength, may have a less diversified product line, may be more susceptible to market pressure and may have a smaller market for their securities. Investment in small- and medium-capitalisation companies may involve comparatively higher investment costs and accordingly investment in the Fund should be viewed as a long term investment. The Fund may however dispose of an investment made by it within a relatively short period of time, for example, to meet requests for redemption of Shares.

#### **8.5 Emerging Markets Risk**

Investments in securities of emerging market issuers are exposed to a number of risks that may make these investments volatile in price or difficult to trade. Emerging markets are more likely than developed markets to experience problems with the clearing and settling of trades, as well as the holding of securities by local banks, agents and depositories. Political risks may include unstable governments, nationalization, restrictions on foreign ownership, laws that prevent investors from getting their money out of a country and legal systems that do not protect property rights as well as the laws in developed countries. Market risks may also include economies that concentrate in only a few industries, securities issues that are held by only a few investors, liquidity issues and limited trading capacity in local exchanges and the possibility that markets or issues may be manipulated by foreign nationals who have inside information. The frequency, availability and quality of financial information about investments in emerging markets varies. The Fund has limited rights and few practical remedies in emerging markets and the ability of authorities in developed countries to bring enforcement actions in emerging markets may be limited, and the Fund's passive investment approach does not take account of these risks. All of these factors can make emerging market securities more volatile and potentially less liquid than securities issued in more developed markets.

#### **8.6 Special Risk Considerations of Investing in Asian Issuers**

The Fund may invest in securities issued by Asian issuers and, accordingly, may be subject to the risk of investing in such issuers. Investment in securities of issuers in Asia involves risks and special considerations not typically associated with investment in the securities markets of developed countries.

Certain Asian economies have experienced over-extension of credit, currency devaluations and restrictions, high unemployment, high inflation, decreased exports and economic recessions. Economic events in any one Asian country can have a significant effect on the entire Asian region as well as on major trading partners outside Asia, and any adverse effect on some or all of the Asian countries and regions in which the Fund invests. The securities markets in some Asian economies are relatively underdeveloped and may subject the Fund to higher action costs or greater uncertainty than investments in more developed securities markets. Such risks may adversely affect the value of the Fund's investments.

## 8.7 Foreign Currency Risk

In the event that the Fund's assets are invested in securities denominated in currencies other than the Base Currency, all or a portion of the proceeds received by the Fund from its investments and/or the revenues received from such underlying issuer will generally not be in the Base Currency. The Fund's exposure to foreign currencies and changes in the value of foreign currencies versus the Base Currency may result in reduced returns for the Fund. Moreover, the Fund may incur costs in connection with conversions between the Base Currency and foreign currencies. The value of an emerging market country's currency may be subject to a high degree of fluctuation. This fluctuation may be due to changes in interest rates, investors' expectations concerning inflation and interest rates, the emerging market country's debt levels and trade deficit, the effects of monetary policies issued by foreign governments, central banks or supranational entities, the imposition of currency controls or other national or global political or economic developments. The economies of certain emerging market countries can be significantly affected by currency devaluations. Certain emerging market countries may also have managed currencies which are maintained at artificial levels relative to the Base Currency rather than at levels determined by the market. This type of system could lead to sudden and large adjustments in the currency, which in turn, can have a negative effect on the Fund and its investments.

## 8.8 Concentration Risk

The Fund's assets may be concentrated in a particular sector or sectors or industry or group of industries to the extent the Index concentrates in a particular sector or sectors or industry or group of industries. To the extent that the Fund's investments are concentrated in natural resources companies and basic materials sectors, the Fund will be subject to the risk that economic, political or other conditions that have a negative effect on natural resources companies and basic materials sectors will negatively impact the Fund to a greater extent than if the Fund's assets were invested in a wider variety of sectors or industries.

## 9 Dividend Policy

It is not proposed that the Directors will declare a dividend in respect of the Fund. Full details of any change to the Fund's dividend policy will be provided in an updated Supplement and all Shareholders will be notified in advance.

## 10 Key Information for Purchasing and SELLING

|                      |  |
|----------------------|--|
| <b>Base Currency</b> | US Dollar (USD).   |
| <b>Business Day</b>  | means every day other than a Saturday or Sunday (or such other day(s) as the Directors may from time to time determine and notify in advance to Shareholders). |

|                         |   |
|-------------------------|---|
| <b>Dealing Day</b>      | In general, each Business Day will be a Dealing Day. However, certain Business Days will not be Dealing Days where, in the sole determination of the Manager: (i) markets on which the Fund's investments are listed or traded, or markets relevant to the Index are closed, and/or (ii) there is a public holiday in the jurisdiction in which the Manager or its delegate(s), if applicable, is or are based; provided there is at least one Dealing Day per fortnight. The Dealing Days for the Fund are available at <a href="http://www.vaneck.com">www.vaneck.com</a> . |
| <b>Dealing Deadline</b> | 4:00 pm (Irish time) on the Business Day prior to the relevant Dealing Day.   |
| <b>Settlement Date</b>  | In the case of subscription(s), within 2 Business Days of the relevant Dealing Day.<br><br>In the case of repurchases, within 3 Business Days of the relevant Dealing Day.  |
| <b>Valuation Point</b>  | 11:00 p.m. (Irish time) on the relevant Dealing Day.  |
| <b>Website</b>          | <a href="http://www.vaneck.com">www.vaneck.com</a> - Information on portfolio composition and details of the intra-day portfolio value ( <b>iNAV</b> ) are set out on the website.  |

## Description of the Shares

|                                     |   |
|-------------------------------------|---|
| <b>Share Class</b>                  | A   |
| <b>ISIN</b>                         | IE00BDFBTQ78  |
| <b>Creation Unit</b>                | 50,000 Shares or such other amount as may be determined by the Directors at their discretion.   |
| <b>Minimum Initial Subscription</b> | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Initial Subscription. |
| <b>Minimum Holding</b>              | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Holding.              |

## 11 CHARGES AND EXPENSES

The following fees and expenses will be incurred by the Company on behalf of the Fund and will affect the Net Asset Value of the relevant Class of Share of the Fund:

|                    |   |
|--------------------|---|
| <b>Share Class</b> | A   |
| <b>Total Fee</b>   | Up to 0.50% per annum or such lower amount as may be advised to Shareholders from time to time. |

The Total Fee, a percentage of the Net Asset Value of the relevant Class of Shares (plus VAT, if any), is payable by the Company out of the Fund Assets to the Manager. The Total Fee will accrue on each day and will be calculated on each Dealing Day and paid monthly in arrears. The Total Fee will cover all of the ordinary fees, operating costs and expenses payable by the Fund including fees and expenses paid to the Manager, all ordinary costs and expenses connected with the management and operating activities of the Fund, including investment management and advisory fees, Director's fees, registration, transfer agency, administration and custody fees, registrar fees, regulators and auditors and certain legal expenses of the Company. The Total Fee does not include extraordinary costs and expenses (including but not limited to transaction charges, stamp duty or other taxes on the investments of the Company including duty charges for portfolio re-balancing, withholding taxes, commissions and brokerage fees incurred with respect to the Company's investments, interest on any non-overdraft credit facility and charges incurred in negotiating, effecting or varying the terms of such facility, any commissions charged by intermediaries in relation to an investment in the Fund and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the Company all of which will be paid separately out of the assets of the Fund).

This section entitled **Charges and Expenses** should be read in conjunction with the sections entitled **General Charges and Expenses** and **Management Charges and Expenses** in the Prospectus.

## 12 Registration for public distribution and listing

Application is expected to be made to register the Fund for public distribution in various countries.

Shares have been listed on Euronext Dublin and the London Stock Exchange. Through the operation of such a secondary market, persons who are not Authorised Participants or not able or willing to subscribe for and redeem Creation Units will be able to buy Shares from or sell Shares to other retail investors or market makers, broker/dealers, or other Authorised Participants at prices which should approximate, after currency conversion, the Net Asset Value of the Shares.

## 13 How to buy and sell Shares

Investors can buy and sell Shares on the secondary market as described above in accordance with the procedures set out in the section entitled **Secondary Market** in the Prospectus.

Investors can otherwise subscribe for or redeem Creation Units in accordance with the procedures set out in the Prospectus.

## 14 SUSTAINABLE FINANCE DISCLOSURES

The Manager has categorised the Fund as meeting the provisions set out in Article 6 of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector ("**SFDR**") and does not follow a dedicated ESG investment strategy. The Fund does not have sustainable investment as its investment objective, nor does it promote environmental or social characteristics.

### 14.1 Sustainability risks

Sustainability risk is the risk that the value of an investment will decline as a result of an environmental, social or governance (ESG) event or circumstance. Ecological events include climate change, scarcity of natural resources and pollution. Social events may include labor issues and product liability. Governance can include themes such as shareholder rights, business ethics, diversity and executive remuneration. Sustainability risks can arise in all kinds of forms. With regard to the theme of climate, for example, there is a distinction between transition risks and physical risks, whereby transition risks can be divided into legal and regulatory risks, technological risks, market risks and reputation risks. In

addition, the impact of sustainability risk has various scopes, including company-specific, sector-specific and on country level. The occurrence of a sustainability risk results in other (financial) risks manifesting. This can negatively affect the value of the investment.

Concrete examples of sustainability risks for this Fund are: Mining companies are increasingly expected to demonstrate responsible stewardship. Not doing so can cause reputational damage or loss of access to shared resources such as land. This can negatively influence the value of the mining company. Also, a mining company's reputation can deteriorate as a result of negative publicity about a labor issue that can cause the value of its stock to decline. The expected impact of sustainability risks on the return depends on the type of sustainability risk that materializes. For mining companies, the expected impact is generally viewed as significant.

## **14.2 Sustainability risk integration features**

The Fund has a passive investment policy whereby the Fund aims to follow the Index as closely as possible. The relevant Index has no specific sustainability characteristics. The Fund therefore does not have any specific sustainability characteristics as well.

The Manager applies the following measures to integrate sustainability risks for this Fund:

### **Exclusions**

Exclusions apply to this Fund as further outlined in section 10 of the Prospectus.

### **Voting**

The Manager can exercise his voting rights at shareholders' meetings, according to the Proxy Voting Policy. To assist in its responsibility for voting proxies and the overall voting process, the Manager has engaged an independent third party proxy voting specialist, Glass Lewis Europe Limited, which takes also Environmental, Social and Governance factors into account when casting votes.

In particular, the Glass Lewis ESG voting policy is applied:

- On the Environmental side, within others, measures in favour of increased disclosure of a company's environmental risk through company-specific disclosure as well as compliance with international environmental conventions and adherence to environmental principles will be supported. Similarly, the ESG Policy will support proposals requesting companies develop greenhouse gas emissions reduction goals, comprehensive recycling. The ESG Policy will evaluate a company's impact on the environment, in addition to the regulatory risk a company may face by not adopting environmentally responsible policies. Further, the ESG Policy will consider voting against directors for not appropriately overseeing environmental risk.
- On the Social side, the ESG Policy will support several proposals, including but not limited to requesting that a company develop sustainable business practices, such as animal welfare policies, human rights policies, and fair lending policies. Furthermore, the ESG Policy will also generally support enhancing the rights of workers, as well as considering the communities and broader constituents in the areas in which companies do business.
- On the Governance side, the ESG Policy supports, within other aspects, increased shareholder participation and access to a company and its board of directors. Accordingly, the ESG Policy will vote in favour of initiatives that seek to enhance shareholder rights, such as the introduction of majority voting to elect directors, the adoption and amendment of proxy access bylaws, the elimination/reduction of supermajority provisions, the declassification of the board, the



submission of shareholder rights' plans to a shareholder vote, and the principle of one share, one vote.

## **Engagement**

The Manager appointed a third-party engagement specialist, Glass Lewis Europe Limited, for the passive equity funds managed by VanEck Asset Management B.V. The engagement provider determines the engagement approach in accordance with its engagement policy and based on its engagements' priorities.

### **14.3 Taxonomy Regulation Disclosure**

The underlying investments of the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

### **15 Other information**

New Funds may be created from time to time by the Directors with the prior approval of the Central Bank in which case further Supplements incorporating provisions relating to those Funds will be issued by the Company.

The names of the Funds currently approved by the Central Bank are listed in the Global Addendum.

## SCHEDULE 1

### DISCLAIMERS

The S&P Global Mining Reduced Coal Index (the “Index” or INDEX) is a product of S&P Dow Jones Indices LLC or its affiliates (“SPDJ”), and has been licensed for use by VanEck. S&P®, S&P 500®, US 500, The 500, iBoxx®, iTraxx® and CDX® are trademarks of S&P Global, Inc. or its affiliates (“S&P”); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC (“Dow Jones”); It is not possible to invest directly in an index. VanEck’s funds are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, any of their respective affiliates (collectively, “S&P Dow Jones Indices”). S&P Dow Jones Indices makes no representation or warranty, express or implied, to the owners of the VanEck’s funds or any member of the public regarding the advisability of investing in securities generally or in VanEck’s funds particularly or the ability of the Index to track general market performance. Past performance of an index is not an indication or guarantee of future results. S&P Dow Jones Indices’ only relationship to VanEck with respect to the Index is the licensing of the Index and certain trademarks, service marks and/or trade names of S&P Dow Jones Indices and/or its licensors. The Index is determined, composed and calculated by S&P Dow Jones Indices without regard to VanEck or VanEck’s funds. S&P Dow Jones Indices has no obligation to take the needs of VanEck or the owners of VanEck’s funds into consideration in determining, composing or calculating the Index. S&P Dow Jones Indices has no obligation or liability in connection with the administration, marketing or trading of VanEck’s funds. There is no assurance that investment products based on the Index will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC is not an investment adviser, commodity trading advisory, commodity pool operator, broker dealer, fiduciary, promoter” (as defined in the Investment Company Act of 1940, as amended), “expert” as enumerated within 15 U.S.C. § 77k(a) or tax advisor. Inclusion of a security, commodity, crypto currency or other asset within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, commodity, crypto currency or other asset, nor is it considered to be investment advice or commodity trading advice.

NEITHER S&P DOW JONES INDICES NOR THIRD PARTY LICENSOR GUARANTEES THE ADEQUACY, ACCURACY, TIMELINESS AND/OR THE COMPLETENESS OF THE INDEX OR ANY DATA RELATED THERETO OR ANY COMMUNICATION, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATION (INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO. S&P DOW JONES INDICES AND [THIRD PARTY LICENSOR] SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS, OR DELAYS THEREIN. S&P DOW JONES INDICES MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE OR AS TO RESULTS TO BE OBTAINED BY VANECK, OWNERS OF THE VANECK’S FUNDS, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEX OR WITH RESPECT TO ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL S&P DOW JONES INDICES BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE. S&P DOW JONES INDICES HAS NOT REVIEWED, PREPARED AND/OR CERTIFIED ANY PORTION OF, NOR DOES S&P DOW JONES INDICES HAVE ANY CONTROL OVER, THE LICENSEE PRODUCT REGISTRATION STATEMENT, PROSPECTUS OR OTHER OFFERING MATERIALS. THERE ARE NO THIRD-PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN S&P DOW JONES INDICES AND VANECK, OTHER THAN THE LICENSORS OF S&P DOW JONES INDICES.

The indicative optimised portfolio value/intra-day portfolio value is calculated by S&P Global Ltd.

**VANECK UCITS ETFs plc**

**Supplement dated 20 June 2025**

**for**

**VanEck Video Gaming and eSports UCITS ETF**

This Supplement contains specific information in relation to the **VanEck Video Gaming and eSports UCITS ETF** (the **Fund**), a sub-fund of **VanEck UCITS ETFs plc** (the **Company**), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank pursuant to the Regulations.

**This Supplement forms part of, may not be distributed unless accompanied by (other than to prior recipients of the Prospectus of the Company dated 20 December 2024, as may be amended, supplemented or modified from time to time), and should be read in conjunction with the Prospectus for the Company.**

THIS DOCUMENT IS IMPORTANT. YOU SHOULD NOT PURCHASE SHARES IN THE FUND DESCRIBED IN THIS SUPPLEMENT UNLESS YOU HAVE ENSURED THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT AND THE RISKS INVOLVED AND ARE SATISFIED THAT THE INVESTMENT IS SUITED TO YOUR CIRCUMSTANCES AND OBJECTIVES, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU ARE RECOMMENDED TO TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR.

The Directors of the Company whose names appear in the section entitled **Directors of the Company** in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

**Shares purchased on the secondary market cannot usually be sold directly back to the Fund. Investors must buy and sell Shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value when buying Shares and may receive less than the current Net Asset Value per Share when selling them.**

**An investment in the Fund, whose securities comprise holdings in emerging markets, should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors.**

Certain risks attached to investments in the Fund are set out in the Prospectus in the section entitled **Risk Factors**.

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## **1 IMPORTANT INFORMATION**

### **1.1 Profile of a typical investor**

A typical investor is expected to be an informed investor who is able to bear capital and income risk, and should view investment in the Fund as a medium to long term investment. A typical investor is expected to be an investor who wishes to take exposure to the markets covered by the Fund's investment policy and is prepared to accept the risks associated with an investment of this type, including the volatility of such market.

### **1.2 General**

This Supplement sets out information in relation to the Shares and the Fund. You must also refer to the Prospectus which is separate to this document and describes the Company and provides general information about offers of shares in the Company. You should not take any action in respect of the Shares unless you have received a copy of the Prospectus. Should there be any inconsistency between the contents of the Prospectus and this Supplement, the contents of this Supplement will, to the extent of any such inconsistency, prevail. This Supplement and the Prospectus should both be carefully read in their entirety before any investment decision with respect to Shares is made.

The Shares of the Fund have been admitted to listing on the Official List and trading on the Regulated Market of Euronext Dublin. This Supplement together with the Prospectus includes all information required to be disclosed by Euronext Dublin listing requirements and comprise listing particulars for the purpose of listing the Shares of the Fund on Euronext Dublin.

Neither the admission of Shares of the Fund to listing on the Official List and to trading on the Regulated Market of Euronext Dublin nor the approval of the listing particulars pursuant to the listing requirements of Euronext Dublin shall constitute a warranty or representation by Euronext Dublin as to the competence of service providers to or any other party connected with the Fund, the adequacy of information contained in the listing particulars or the suitability of the Fund for investment purposes.

As of the date of this Supplement, the Company does not have any loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

### **1.3 Suitability of Investment**

You are advised to inform yourself as to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Shares.

The Shares are not principal protected. The value of the Shares may go up or down and you may not get back the amount you have invested. See the section entitled Risk Factors of the Prospectus and the section entitled Risk Factors of this Supplement for a discussion of certain risks that should be considered by you.

An investment in the Shares is only suitable for you if you are a sophisticated investor and (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from

such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

## **1.4 Distribution of this Supplement and Selling Restrictions**

Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus and is not authorised in any jurisdiction after publication of the audited annual report of the Company unless a copy of the then latest annual report and, if distributed after the semi-annual report has been produced, a copy of the then latest published semi-annual report and unaudited accounts is made available in conjunction with the Prospectus and this Supplement. The distribution of this Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. If you receive a copy of this Supplement and/or the Prospectus you may not treat such document(s) as constituting an offer, invitation or solicitation to you to subscribe for any Shares unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without compliance with any registration or other legal requirement other than those with which the Company has already complied. If you wish to apply for the opportunity to purchase any Shares it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile.

## **2 Investment objective and policies**

### **2.1 Investment Objective**

The Fund's investment objective is to replicate, before fees and expenses, the price and yield performance of an index that provides exposure to the performance of companies involved in the global video gaming and eSports industries. For a further description of the Index see the section entitled Information on the Index below.

### **2.2 Investment Policy**

In order to seek to achieve its investment objective, the Manager will normally use a replication strategy by investing directly in the underlying equity securities of the MarketVector Global Video Gaming & eSports ESG Index (the "**Index**"), being the stock, American depository receipts (**ADRs**), and global depository receipts (**GDRs**). The Fund may hold the equity securities of companies listed or traded on the Markets referred to in Appendix II of the Prospectus whose predominant economic activity is in developing video games and related software or hardware such as computer processors and graphics cards used in video gaming systems and related hardware such as controllers, headsets and video gaming consoles.

The Fund may not invest in companies that violate certain ESG criteria including companies which (i) have committed very severe norms violations, (ii) have greater than 0% revenue exposure to controversial weapons: anti-personnel mines, biological and chemical weapons, cluster munitions, depleted uranium, incendiary weapons, white phosphorus and nuclear weapons in- and outside the non-proliferation treaty, or (iii) exceed certain thresholds of revenue exposure to various sectors including but not limited to civilian firearms, tobacco and oil sands and coal.

The Fund will seek the prior approval of the Central Bank should the Fund seek to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. In exceptional market circumstances, such as, but not limited to, a material price movement impacting the weighting of an underlying equity security of the Index or disruptive market conditions or extremely volatile markets, an underlying equity security of the Index which is held by the Fund may exceed the regulatory limits intra rebalancing dates which would result in the Fund seeking to avail of the increased limits under Regulation 71(2) of the UCITS

Regulations. Where it is not practical or cost efficient for the Fund to fully replicate the Index, the Manager may utilise an optimised sampling methodology and further detail in respect of this approach is set out in the section entitled Investment Approach below.

The Fund may invest up to 15% of its Net Asset Value directly in shares issued by companies listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, traded in foreign currencies and available for investment by domestic (Chinese) investors and foreign investors. For the avoidance of doubt, the Fund may invest in China H shares. China H shares are issued by issuers which are incorporated in China and trade on the Hong Kong stock exchange.

**The Fund may also (or alternatively) invest in financial derivative instruments (FDIs) which relate to the Index or constituents of the Index.** The FDIs which the Fund may use are futures, swaps (for example index swaps and equity swaps), currency forwards and non-deliverable forwards (a forward contract that does not require settlement on maturity) (**NDFs**). Futures may be used in order to equitise cash balances (i.e. gaining exposure to equity markets through investment in derivatives for efficient portfolio management purposes) pending investment of subscription proceeds or other cash balances held by the Fund to seek to reduce tracking error. Currency forwards and NDFs may be used to hedge currency exposures. The Fund may use FDIs as an alternative to direct investment in the constituents of the Index in order to avail of the related cost or liquidity advantages of FDIs which may, in certain circumstances, be available over the direct investment in the constituents of the Index. The Fund may also use ADRs or GDRs to gain exposure to equity securities instead of using physical securities in circumstances where, due to local restrictions or quota limitations, it is not possible to hold these directly or where it is otherwise advantageous to the Fund to do so.

The Fund may invest more than 20% of its Net Asset Value in emerging markets.

The Fund may also invest in ancillary liquid assets and money market instruments which may include bank deposits, depositary receipts, certificates of deposit, commercial paper, floating rate notes and freely transferable promissory notes. The ancillary liquid assets, money market instruments and FDI (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus. Investment in ancillary liquid assets and money market instruments may be utilised in a variety of circumstances, including but not limited to, situations such as managing total exposure to cash and borrowing on a short term basis and in anticipation of participation in a rights offering.

### 2.3 Efficient Portfolio Management

Investors should note that the Fund may invest in FDIs for efficient portfolio management or hedging purposes only. The Fund may use futures, swaps and currency forwards for the purpose of reducing risk associated with currency exposures within the Fund. This may on occasion lead to an increase in the risk profile of the Fund or result in a fluctuation in the expected level of volatility. Please see the section entitled **Risk Factors** in the Prospectus in relation to such risks.

The Fund will employ the commitment approach to assess the Fund's global exposure and to ensure that the Fund's use of derivative instruments is within the limits specified by the Central Bank. Global exposure will be calculated daily. While the Fund may be leveraged through the use of the FDIs, any such leverage will not exceed 100% of the Fund's Net Asset Value.

Investment in FDIs is subject to the conditions and limits contained in the CBI UCITS Regulations. Subject to these limits, the Fund may invest in FDIs dealt on any of the regulated markets set out in the list of Markets in Appendix II to the Prospectus (and/or over the counter FDIs (**OTCs**)) which will be used for efficient portfolio management and/or for hedging purposes.

The Company employs a risk management process which enables it to accurately measure, monitor and manage at any time the various risks associated with FDIs and their contribution to the overall risk profile of the portfolio of assets of the Fund. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments. The Fund will only invest in FDIs in accordance with the risk management policy prepared and submitted to the Central Bank in accordance with the Central Bank requirements.

A Fund may invest in FDIs dealt over-the-counter provided that the counterparties to over-the-counter transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

Position exposure to the underlying assets of FDIs, including embedded FDIs in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the CBI UCITS Regulations.

Investors are referred to the section entitled **Use of Financial Derivative Instruments and Efficient Portfolio Management** in the Prospectus.

## 2.4 Securities Financing Transactions

While the Company may enter into securities financing transactions and repurchase agreements (**SFTs**) (as defined under Article 3 (11) of Regulation (EU) 2015/2365) (the **SFTR**), it is not anticipated that the Fund will enter into any SFTs. However, in the event that the Fund contemplates entering into such transactions, investors will be provided with further details of the structure and use of such transactions, together with any other information required to be disclosed to investors in accordance with Articles 13 and 14 of the SFTR. The Supplement will be updated accordingly in the event that the Fund will enter into any SFTs.

## 3 Investment approach

In order to seek to achieve its investment objective, the investment policy of the Fund is to use a replication strategy by investing directly in the underlying equity securities that consists of the component securities of the Index. The Fund will be 'passively' managed.

Where full replication is not possible, the Fund will invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities that generally replicate the Index. However, under various circumstances, it may not be practicable and possible to invest in such equity securities in proportion to their weightings in the Index. It is not expected that the Fund would invest in securities outside the Index under normal circumstances. In extraordinary circumstances, the Fund may use such other techniques including, but not limited to, representative or "optimised" sampling to gain access to stocks which provide economic characteristics similar to the security in the Index. There also may be instances, for example if one or more securities are suspended from trading or in situations where the Fund is forced to liquidate particular securities, in which the Manager may choose to overweight a security in the Index, purchase securities not in the Index which the Manager believes are appropriate to substitute for certain securities in the Index or utilise other investment techniques in seeking to replicate, before fees and expenses, the price and yield performance of the Index. The Fund may sell securities that are represented in the Index in anticipation of their removal from the Index or purchase securities not represented in the Index in anticipation of their addition to the Index.

Anticipated tracking error is based on the expected volatility of differences between the returns of the relevant fund and the returns of its benchmark index. For a physically replicating ETF, one of the primary



drivers of tracking error is the difference between a Fund's holdings and index constituents. Cash management, trading costs from rebalancing and withholding tax suffered by the Fund on any income received from its Investments can also have an impact on tracking error as well as the return differential between the ETF and the benchmark index. The impact can be either positive or negative depending on the underlying circumstances. The anticipated tracking error of a Fund is not a guide to its future performance. The annualized tracking error envisaged is not anticipated to exceed 0.20% under normal market conditions.

#### 4 Information on the Index

The Index is a global index that seeks to track the performance of the global video gaming and eSports segment. This includes companies which generate at least 50% (25% for current components) of their revenues from video gaming and/or eSports. Where revenues generated from video gaming and/or eSports for a current component of the Index fall below 25%, the company is removed as a component of the Index.

These companies may include those that develop video games and related software or hardware such as computer processors and graphics cards used in video gaming systems and related hardware such as controllers, headsets, and video gaming consoles. These companies may also include those that offer streaming services, develop video games and/or hardware for use in eSports events and are involved in eSports events such as league operators, teams, distributors and platforms.

The Index considers ESG factors, as described below and further detailed in the Index methodology available on the Index Providers website. The Index Provider utilizes ESG data provided by Institutional Shareholder Services group of companies (ISS). ISS provides the Index Provider with high-quality data, analytics and insight, including country ESG research and ratings enabling the Index Provider to identify material social and environmental risks and opportunities. In particular, data standards used by the Index Provider are:

- Data Input: MarketVector Indexes sources ESG data externally from ISS, where data is not available, best efforts is made to model required data.
- Verification and quality of data: The provider of ESG-related data input is selected by the Index Provider based on an assessment of its existing processes in order to ensure the reliability and representativeness of the ESG-related data. The data provider has established processes in accordance with accepted and established market standards that ensure the permanent quality and reliability of the ESG-data provided.
- Reference standards: ISS Norm-Based Research framework consists of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights, and is embedded in the Sustainable Development Goals.

The Index does not consider companies that violate certain ESG criteria included in the following categories (binding criteria):

- Norm-based research, concerning in particular the following thematic areas: Union Rights, Workplace Discrimination, Bribery, Child Labour, Environmental Protection, Fundamental Human Rights, Forced Labour, Labour Standards, Money Laundering. Companies with a Case Severity Indicator score of 'Very Severe' are not included in the portfolio. The 'Very Severe' value identifies instances where the company is reportedly causing/contributing to critical adverse impact.

Case Severity Indicator is a measure of the reported risk or impact on society or the environment and takes into account the degree of corporate involvement. The other values which refer to severity are indicated in the Norm-based Research Methodology, as:

- 'Severe': identifies instances where the company is reportedly causing/contributing significant adverse impact.
- 'Moderate': identifies instances where the company is causing/contributing to adverse impact or linked to significant/critical adverse impact.
- 'Potential': identifies instances where the impact and/or corporate involvement have not been clearly determined.

When companies are identified as involved in Gender Discrimination, Racial Discrimination and are listed on the AFL-CIO Boycott List (identified by "T"), are also not included in the portfolio. Furthermore, Norm-based research is taken into consideration via:

- The overall Norm-based research score ("NBSOverallScore"), assigning a 1-10 rating score to an issuer based on the issuer's link with any violations of international standards. The Index Provider excludes from the investable universe the companies which are assessed with a score of 9 or 10.
  - The overall Norm-based research Severity Indicator score ("NBSOverallSeverityScore"), which enables the inclusion in the portfolio of companies with a non 'Very Severe' score.
- Controversial weapons, which takes into consideration: Anti-personnel Mines, Biological Weapons, Chemical Weapons, Cluster Munitions, Depleted Uranium, Incendiary Weapons, Nuclear Weapons Outside NPT, Nuclear Weapons Inside NPT and White Phosphorus Weapons. These factors assign an overall Red, Amber, or Green flag to an issuer based on the issuer's involvement in the different categories of controversial weapons. Companies with a "Red" flag are excluded from the portfolio.
  - Sector and energy extractive exposure screening, with consideration of Tobacco, Thermal Coal Mining, Fossil Fuel, Oil Sands, Military Equipment and Services and Nuclear Power. Only companies that derive not more than 5% of their revenues from the mentioned activities, can be included in the portfolio.

A company is considered to be ESG compliant if it satisfies the ESG screening criteria set forth by the Index Provider. Further, companies that are not covered by ISS or for which all relevant data fields are not collected by ISS may be eligible for inclusion. In these cases the Index Provider will review the impact and will act on a best efforts basis to ensure data coverage by performing qualitative data research through the review of relevant publicly available information of the respective company.

Video gaming and eSports companies may include small- and medium-capitalization companies and foreign and emerging market issuers. As of 19 September 2022, the Index included 25 securities of companies with a free-float market capitalization range of between approximately \$1,5 billion and \$260 billion and a weighted average market capitalization of \$58 billion. As of 19 September 2022 approximately 50% of the Index's investments consisted of securities of Asian issuers, 21% of which consisted of securities of Japanese issuers. These amounts are subject to change.

The Index employs an 8% capping scheme to ensure diversification. If a component exceeds the maximum weight at the time of Index rebalancing, then the weight will be reduced to the maximum weight and the excess weight shall be redistributed proportionally across all other (uncapped) Index constituents. This process is repeated until no component weight exceeds the maximum weight.

The maximum weights of each component are as follows:

1. If the largest two stocks exceed 8%, both will be capped at 8%.

2. If the 3rd largest stock exceeds 7%, it will be capped at 7%.
3. If the 4th largest stock exceeds 6.5%, it will be capped at 6.5%.
4. If the 5th largest stock exceeds 6%, it will be capped at 6%.
5. If the 6th largest stock exceeds 5.5%, it will be capped at 5.5%.
6. If the 7th largest stock exceeds 5%, it will be capped at 5%.
7. If any other stock exceeds 4.5%, it will be capped at 4.5%.

The components of this Index are reviewed on a quarterly basis. Changes to the Index will be implemented and based on the closing prices of the third Friday of every quarter-end month (i.e. March, June, September and December). If the third Friday is not a business day, the review will take place on the last business day before the third Friday. If a company does not trade on the third Friday of a quarter-end month, then the last available price for this company will be used. Changes will become effective on the next business day. Target coverage: At least 90% of the free-float market capitalisation of the investable universe with at least 25 companies.

Review procedure:

1. All stocks in the investable universe are sorted in terms of free-float market capitalisation in descending order.
2. Stocks covering the top 85% of the free-float market capitalisation of the investable universe qualify for selection.
3. Existing components between the 85th and 98th percentiles also qualify for the Index.
4. If the coverage is still below 90% or the number of components in the Index is still below 25, the largest remaining stocks will be selected until coverage of at least 90% is reached and the number of stocks equals 25.
5. In case the number of eligible companies is below 25, additional companies are added by the Index Provider's decision until the number of stocks equals 25.

For all corporate events that result in a stock deletion from the Index, the deleted stock will be replaced with the highest ranked non-component on the most recent selection list immediately only if the number of components in the Index would drop below 20. The replacement stock will be added at the same weight as the deleted stock. Only in circumstances where the number of components of the Index drops below its minimum due to a merger of two or more Index components, the replacement stock will be added with its uncapped free-float market capitalisation weight. In all other cases where no replacement is made, the additional weight resulting from the deletion will be redistributed proportionally across all other Index constituents.

## 5 Index provider

The Index is published by MarketVector Indexes GmbH (the **Index Provider** or **MarketVector**), an affiliated company of the Manager. The Index Provider has contracted with Solactive AG to maintain and calculate the Index. The Index Provider does not sponsor, endorse, or promote the Fund and bears no liability with respect to the Fund or any security. The Index Provider will notify the Fund of material errors in the Index via the Index Provider's website. The Index Provider is an authorised benchmark

administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation.

In accordance with Central Bank requirements, the Company is required to provide details of the Index Provider's website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company has no responsibility for the Index Provider's website and is not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof. Further information in relation to the Index may be found on the Index Provider's website, <https://www.marketvector.com/indices/sector/marketvector-global-video-gaming-esports-esg>.

## 6 Investment restrictions

The general investment restrictions as set out in the Prospectus shall apply. The Fund may not invest more than 10% of its Net Asset Value in open-ended collective investment schemes.

The Fund may not invest less than 51% of its Net Asset Value in equity securities which constitute "equity participation" within the meaning of section 2, Article 8 of the German Investment Tax Act (Investmentsteuergesetz). Equity participation in this context consists of shares in corporations traded or admitted for trading on a regulated market or multilateral trading facility (**MTF**) considered as such by the European Securities and Markets Authority (**ESMA**). The actual equity participation ratios of target investment funds can be taken into account.

There may be instances where the weighting of any constituent security of the Index could cause the Fund to breach the investment restrictions set out in the Prospectus. If such an event occurs, it is intended that the Fund will purchase other assets, the effect of which will seek to maintain, so far as is possible, the same economic exposure to and the same weighting of the security of that issuer in the Index without breaching its investment restrictions.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or are in the interests of Shareholders.

## 7 Borrowing

The Fund may borrow money in an amount up to 10% of the market value of its net assets at any time for the account of any Fund and the Depositary may charge the assets of the Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Fund may acquire currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of the Regulations provided that the offsetting deposit is denominated in the Base Currency of the Fund and equals or exceeds the value of the foreign currency loan outstanding.

## 8 Risk factors

The general risk factors as set out in the section entitled **Risk Factors** in the Prospectus apply.

Investors in the Fund should be willing to accept a high degree of volatility in the price of the Fund's Shares and the possibility of significant losses. An investment in the Fund involves a substantial degree of risk. Therefore, you are advised to consider carefully the following risks before investing in the Fund.

The value of investments and the income from them, and therefore the value of and income from the Shares can go down as well as up and an investor may not get back the amount invested. The Fund's

exposure is based on the performance of the Index securities which, in turn, is exposed to general market movements (negative as well as positive).

An investment in the Fund may be subject to risks which include, among others, material transaction cost from rebalancing activity and fluctuations in the value of securities held by the Fund due to market and economic conditions or factors relating to specific issuers. Certain additional risks may also be associated with the Fund, including, without limitation:

### **8.1 Risk of Investing in Video Gaming and eSports Companies**

The Fund will be sensitive to, and its performance will depend to a greater extent on, the overall condition of video gaming and eSports companies. Video gaming and eSports companies face intense competition, both domestically and internationally, may have limited product lines, markets, financial resources, or personnel, may have products that face rapid obsolescence, and are heavily dependent on the protection of patent and intellectual property rights. Pure-play companies (i.e., companies that focus only on a particular product or activity) may be dependent on one or a small number of product or product franchises for a significant portion of their revenue and profits. They may also be subject to shifting consumer preferences, including preferences with respect to gaming console platforms, and changes in consumer discretionary spending. Such factors may adversely affect the profitability and value of video gaming and eSports companies. These companies are also subject to increasing regulatory constraints, particularly with respect to cybersecurity and privacy. In addition to the costs of complying with such constraints, the unintended disclosure of confidential information, whether because of an error or a cybersecurity event, could adversely affect the profitability and value of these companies. Video gaming and eSports companies may be subject to sophisticated intellectual property infringement schemes and piracy efforts, particularly in foreign markets, which may limit the revenue potential in such markets, and combatting such infringement or piracy schemes may require significant expenses. Such antipiracy programs may not be effective. Video gaming and eSports companies may have significant exposure to the following industries, and therefore may be subject to the risks associated with such industries.

### **8.2 Risk of Investing in the Software Industry**

Companies in the software industry are subject to significant competitive pressures, such as aggressive pricing, new market entrants, competition for market share, short product cycles due to an accelerated rate of technological developments and the potential for limited earnings and/or falling profit margins. Software companies also face the risks that new services, equipment or technologies are not accepted by consumers and businesses or will become rapidly obsolete. These factors can affect the profitability of software companies and, as a result, the value of their securities. Patent protection is integral to the success of many companies and their profitability can be affected materially by, among other things, the cost of obtaining (or failing to obtain) patent approvals, the cost of litigating patent infringement and the loss of patent protection for products (which significantly increases pricing pressures and can materially reduce profitability with respect to such products). In addition, many software companies have limited operating histories. Prices of software companies' securities historically have been more volatile than other securities, especially over the short term.

### **8.3 Risk of Investing in the Internet Software & Services Industry**

The prices of the securities of companies in the internet software and services industry may fluctuate widely due to competitive pressures, increased sensitivity to short product cycles and aggressive pricing, heavy expenses incurred for research and development of products or services that prove unsuccessful, problems related to bringing products to market, and rapid obsolescence of products. Many internet software and software services companies rely on a combination of patents, copyrights, trademarks and trade secret laws to establish and protect their proprietary rights in their products and

technologies. There can be no assurance that the steps taken by internet software and software services companies to protect their proprietary rights will sufficiently prevent misappropriation of their technology or that competitors will not independently develop technologies that are substantially equivalent or superior to such companies' technology. Legislative or regulatory changes and increased government supervision also may affect companies in the internet software and services sector.

#### **8.4 Risk of Investing in the Semiconductor Industry**

Competitive pressures may have a significant effect on the financial condition of companies in the semiconductor industry. Video gaming and eSports companies are subject to the risk that companies that are in the semiconductor industry may be similarly affected by particular economic or market events. As product cycles shorten and manufacturing capacity increases, these companies may become increasingly subject to aggressive pricing, which hampers profitability. Semiconductor companies are vulnerable to wide fluctuations in securities prices due to rapid product obsolescence. Many semiconductor companies may not successfully introduce new products, develop and maintain a loyal customer base or achieve general market acceptance for their products, and failure to do so could have a material adverse effect on their business, results of operations and financial condition. Reduced demand for end-user products, underutilization of manufacturing capacity, and other factors could adversely impact the operating results of companies in the semiconductor industry. Semiconductor companies typically face high capital costs and such companies may need additional financing, which may be difficult to obtain. They also may be subject to risks relating to research and development costs and the availability and price of components.

#### **8.5 Risk of Investing in the Information Technology Industry**

To the extent that the Index continues to be concentrated in the information technology sector, the Fund will be sensitive to changes in, and its performance will depend to a greater extent on, the overall condition of the information technology sector. Information technology companies face intense competition, both domestically and internationally, which may have an adverse effect on profit margins. Information technology companies may have limited product lines, markets, financial resources or personnel. The products of information technology companies may face product obsolescence due to rapid technological developments and frequent new product introduction, unpredictable changes in growth rates and competition for the services of qualified personnel. Companies in the information technology sector are heavily dependent on patent protection and the expiration of patents may adversely affect the profitability of these companies.

#### **8.6 Risk of Investing in the Communication Services Sector.**

The Fund will be sensitive to, and its performance may depend to a greater extent on, the overall condition of the communication services sector. Companies in the communication services sector may be affected by industry competition, substantial capital requirements, government regulations and obsolescence of communications products and services due to technological advancement.

#### **8.7 Risk of Investing in Small- and Medium-Capitalization Companies**

The securities of small- and medium-capitalization companies may be more volatile and less liquid than the securities of large companies. As securities of small- and medium-capitalization companies may experience more market price volatility than securities of larger companies, the net asset value of any fund which invests in small- and medium-capitalization companies (such as the Fund) may reflect this volatility. Small- and medium-capitalization companies, when compared with larger companies, may have a shorter history of operations, fewer financial resources, less competitive strength, may have a less diversified product line, may be more susceptible to market pressure and may have a smaller market for their securities. Investment in small- and medium-capitalization companies may involve

comparatively higher investment costs and accordingly investment in the Fund should be viewed as a long term investment. The Fund may however dispose of an investment made by it within a relatively short period of time, for example, to meet requests for redemption of Shares.

#### **8.8 Risk of Issuer-Specific Changes**

The value of individual securities or particular types of securities in the Fund's portfolio can be more volatile than the market as a whole and can perform differently from the value of the market as a whole, which may have a greater impact if the Fund's portfolio is concentrated in a country, group of countries, region, market or asset class. The value of securities of smaller issuers can be more volatile than that of larger issuers. A change in the financial condition, market perception or the credit rating of an issuer of securities included in the Index may cause the value of its securities to decline.

#### **8.9 Risk of Investing in Emerging Markets Issuers**

Investments in securities of emerging market issuers are exposed to a number of risks that may make these investments volatile in price or difficult to trade. Emerging markets are more likely than developed markets to experience problems with the clearing and settling of trades, as well as the holding of securities by local banks, agents and depositories. Political risks may include unstable governments, nationalisation, restrictions on foreign ownership, laws that prevent investors from getting their money out of a country and legal systems that do not protect property rights as well as the laws in developed countries. Market risks may also include economies that concentrate in only a few industries, securities issues that are held by only a few investors, liquidity issues and limited trading capacity in local exchanges and the possibility that markets or issues may be manipulated by foreign nationals who have inside information. The frequency, availability and quality of financial information about investments in emerging markets varies. The Fund has limited rights and few practical remedies in emerging markets and the ability of authorities in developed countries to bring enforcement actions in emerging markets may be limited, and the Fund's passive investment approach does not take account of these risks. All of these factors can make emerging market securities more volatile and potentially less liquid than securities issued in more developed markets.

#### **8.10 Special Risk Considerations of Investing in Asian Issuers**

The Fund may invest in securities issued by Asian issuers and, accordingly, may be subject to the risk of investing in such issuers. Investment in securities of issuers in Asia involves risks and special considerations not typically associated with investment in the U.S. or European securities markets. Certain Asian economies have experienced over-extension of credit, currency devaluations and restrictions, high unemployment, high inflation, decreased exports and economic recessions. Economic events in any one Asian country can have a significant effect on the entire Asian region as well as on major trading partners outside Asia, and any adverse effect on some or all of the Asian countries and regions in which the Fund invests. The securities markets in some Asian economies are relatively underdeveloped and may subject the Fund to higher action costs or greater uncertainty than investments in more developed securities markets. Such risks may adversely affect the value of the Fund's investments.

#### **8.11 Special Risk Considerations of Investing in Japanese Issuers**

To the extent the Fund continues to invest in securities issued by Japanese issuers, the Fund may be subject to the risk of investing in such issuers. Investment in securities of Japanese issuers, including issuers located outside of Japan that generate significant revenues from Japan, involves risks that may negatively affect the value of your investment in the Fund. The risks of investing in the securities of Japanese issuers also includes risks lack of natural resources, fluctuations or shortages in the commodity markets, new trade regulations, decreasing U.S. imports and changes in the U.S. dollar

exchange rates. Japan is located in a part of the world that has historically been prone to natural disasters such as earthquakes, volcanoes and tsunamis and is economically sensitive to environmental events. Any such event could result in a significant adverse impact on the Japanese economy. In addition, such disasters, and the resulting damage, could impair the long-term ability of issuers in which the Fund invests to conduct their businesses in the manner normally conducted.

#### **8.12 Foreign Currency Risk**

Because all or a portion of the proceeds received by the Fund from its investments and/or the revenues received by the underlying issuer will generally be in foreign currencies, the Fund's exposure to foreign currencies and changes in the value of foreign currencies versus the Base Currency may result in reduced returns for the Fund. Moreover, the Fund may incur costs in connection with conversions between the Base Currency and foreign currencies. The value of an emerging market country's currency may be subject to a high degree of fluctuation. This fluctuation may be due to changes in interest rates, investors' expectations concerning inflation and interest rates, the emerging market country's debt levels and trade deficit, the effects of monetary policies issued by foreign governments, central banks or supranational entities, the imposition of currency controls or other national or global political or economic developments. The economies of certain emerging market countries can be significantly affected by currency devaluations. Certain emerging market countries may also have managed currencies which are maintained at artificial levels relative to the Base Currency rather than at levels determined by the market. This type of system could lead to sudden and large adjustments in the currency, which in turn, can have a negative effect on the Fund and its investments.

#### **8.13 Equity Securities Risk**

The value of the equity securities held by the Fund may fall due to general market and economic conditions, perceptions regarding the markets in which the issuers of securities held by the Fund participate, or factors relating to specific issuers in which the Fund invests. For example, an adverse event, such as an unfavourable earnings report, may result in a decline in the value of equity securities of an issuer held by the Fund; the price of the equity securities of an issuer may be particularly sensitive to general movements in the securities markets; or a drop in the securities markets may depress the price of most or all of the equities securities held by the Fund. Equity securities are subordinated to preferred securities and debt in a company's capital structure with respect to priority in right to a share of corporate income, and therefore will be subject to greater dividend risk than preferred securities or debt instruments. In addition, while broad market measures of equity securities have historically generated higher average returns than fixed income securities, equity securities have generally also experienced significantly more volatility in those returns, although under certain market conditions fixed income securities may have comparable or greater price volatility.

#### **8.14 Concentration Risk**

The Fund's assets may be concentrated in a particular sector or sectors or industry or group of industries to the extent the Index concentrates in a particular sector or sectors or industry or group of industries. To the extent that the Fund's investments are concentrated in video gaming and eSports companies and information technology sectors, the Fund will be subject to the risk that economic, political or other conditions that have a negative effect on video gaming and eSports companies and information technology sectors will negatively impact the Fund to a greater extent than if the Fund's assets were invested in a wider variety of sectors or industries.

### **9 Dividend policy**



It is not proposed that the Directors will declare a dividend in respect of the Fund. Full details of any change to the Fund's dividend policy will be provided in an updated Supplement and all Shareholders will be notified in advance.

## 10 Key information for purchasing and selling

|                         |   |
|-------------------------|---|
| <b>Base Currency</b>    | US Dollar (USD).  |
| <b>Business Day</b>     | means every day other than a Saturday or Sunday (or such other day(s) as the Directors may from time to time determine and notify in advance to Shareholders).  |
| <b>Dealing Day</b>      | In general, each Business Day will be a Dealing Day. However, certain Business Days will not be Dealing Days where, in the sole determination of the Manager: (i) markets on which the Fund's investments are listed or traded, or markets relevant to the Index are closed, and/or (ii) there is a public holiday in the jurisdiction in which the Manager or its delegate(s), if applicable, is or are based; provided there is at least one Dealing Day per fortnight. The Dealing Days for the Fund are available at <a href="http://www.vaneck.com">www.vaneck.com</a> . |
| <b>Dealing Deadline</b> | 4:00pm (Irish time) on the Business Day prior to the relevant Dealing Day.  |
| <b>Settlement Date</b>  | In the case of subscription(s), within 2 Business Days of the relevant Dealing Day.<br><br>In the case of repurchases, within 3 Business Days of the relevant Dealing Day.  |
| <b>Valuation Point</b>  | 11:00 p.m. (Irish time) on the relevant Dealing Day.  |
| <b>Website</b>          | <a href="http://www.vaneck.com">www.vaneck.com</a> - Information on portfolio composition and details of the intra-day portfolio value (iNAV) are set out on the website.   |

## Description of the Shares

|                                     |   |
|-------------------------------------|---|
| <b>Share Class</b>                  | A   |
| <b>ISIN</b>                         | IE00BYWQWR46  |
| <b>Creation Unit</b>                | 50,000 Shares or such other amount as may be determined by the Directors at their discretion.   |
| <b>Minimum Initial Subscription</b> | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Initial Subscription. |
| <b>Minimum Fund Size</b>            | 50,000 Shares unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Fund Size.              |

## 11 Charges and expenses

The following fees and expenses will be incurred by the Company on behalf of the Fund and will affect the Net Asset Value of the relevant Class of Share of the Fund:

|                    |   |
|--------------------|---|
| <b>Share Class</b> | A   |
| <b>Total Fee</b>   | Up to 0.55% per annum or such lower amount as may be advised to Shareholders from time to time. |

The Total Fee, a percentage of the Net Asset Value of the relevant Class of Shares (plus VAT, if any), is payable by the Company out of the Fund Assets to the Manager. The Total Fee will accrue on each day and will be calculated on each Dealing Day and paid monthly in arrears. The Total Fee will cover all of the ordinary fees, operating costs and expenses payable by the Fund including fees and expenses paid to the Manager, all ordinary costs and expenses connected with the management and operating activities of the Fund, including investment management and advisory fees, Director's fees, registration, transfer agency, administration and custody fees, registrar fees, regulators and auditors and certain legal expenses of the Company. The Total Fee does not include extraordinary costs and expenses (including but not limited to transaction charges, stamp duty or other taxes on the investments of the Company including duty charges for portfolio re-balancing, withholding taxes, commissions and brokerage fees incurred with respect to the Company's investments, interest on any non-overdraft credit facility and charges incurred in negotiating, effecting or varying the terms of such facility, any commissions charged by intermediaries in relation to an investment in the Fund and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the Company all of which will be paid separately out of the assets of the Fund).

Investment in this Fund should be viewed as medium to long term investment.

This section entitled **Charges and Expenses** should be read in conjunction with the sections entitled **General Charges and Expenses** and **Management Charges and Expenses** in the Prospectus.

## 12 Registration for public distribution and listing

Application is expected to be made to register the Fund for public distribution in various countries.

Shares have been listed on Euronext Dublin and the London Stock Exchange. Through the operation of such a secondary market, persons who are not Authorised Participants or not able or willing to subscribe for and redeem Creation Units will be able to buy Shares from or sell Shares to other retail investors or market makers, broker/dealers, or other Authorised Participants at prices which should approximate, after currency conversion, the Net Asset Value of the Shares.

## 13 How to buy and sell shares

Investors can buy and sell Shares on the secondary market as described above in accordance with the procedures set out in the section entitled **Secondary Market** in the Prospectus.

Investors can otherwise subscribe for or redeem Creation Units in accordance with the procedures set out in the Prospectus.

## 14 SUSTAINABLE FINANCE DISCLOSURE

The Manager has categorised the Fund as meeting the provisions set out in Article 8 of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector ("SFDR") for products which promote environmental and/or social characteristics and invest in companies that follow good governance practices, as further described in Annex I of this Supplement. The Fund does not have sustainable investment as its investment objective.

## 14.1 E&S Characteristics

1. The Fund promotes the reduction of the most negative impacts on society and the environment through:
  - Reducing exposure to Very Severe controversies relating to international standards on responsible business, human rights and labour rights, via exclusions based on the Norm-based research;
  - Avoiding exposure to companies involved in Controversial Weapons and Civilian Firearms
  - Limiting the exposure to carbon risk and specific business activities by excluding companies deriving significant (>5%) revenues from certain sectors and energy extractives, such as thermal coal.
2. The Glass Lewis ESG voting policy is applied whereby votes are cast on sustainability matters.

A reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by the Fund. Compared to a non ESG eSport fund, this Fund applies mandatory Environmental and Social factors and limits. These are corresponding to the Principle Adverse Impacts specified in the Annex.

## 14.2 Sustainability Risks

Sustainability risk is the risk that the value of an investment will decline as a result of an environmental, social or governance (ESG) event or circumstance. Ecological events include climate change, scarcity of natural resources and pollution. Social events may include labor issues and product liability. Governance can include themes such as shareholder rights, business ethics, diversity and executive remuneration. Sustainability risks can arise in all kinds of forms. With regard to the theme of climate, for example, there is a distinction between transition risks and physical risks, whereby transition risks can be divided into legal and regulatory risks, technological risks, market risks and reputation risks. In addition, the impact of sustainability risk has various scopes, including company-specific, sector-specific and on country level. The occurrence of a sustainability risk results in other (financial) risks manifesting. This can negatively affect the value of the investment.

Concrete examples of sustainability risks for the Fund are: a company has an overly generous remuneration policy or a remuneration policy that is inconsistent with the interests of the shareholders. Also, a company's reputation can deteriorate as a result of negative publicity about an environmental or labor issue that can cause the value of its stock to decline. The expected impact of sustainability risks on the return depends on the type of sustainability risk that materializes. For developed markets equity portfolios, this expected impact is generally viewed as significant.

## 14.3 Sustainability Risk Integration Features

The Fund has a passive investment policy whereby the Fund aims to follow the Index as closely as possible. The relevant Index has no specific sustainability characteristics. The Fund therefore does not have any specific sustainability characteristics as well.

The Manager applies the following measures to integrate sustainability risks for this Fund:

### Exclusions

Exclusions apply to this Fund as further outlined in section 2.2 of this Supplement and section 10 of the Prospectus.

## Voting

The Manager can exercise his voting rights at shareholders' meetings, according to the Proxy Voting Policy. To assist in its responsibility for voting proxies and the overall voting process, the Manager has engaged an independent third party proxy voting specialist, Glass Lewis Europe Limited, which takes also Environmental, Social and Governance factors into account when casting votes.

In particular, the Glass Lewis ESG voting policy is applied:

- On the Environmental side, within others, measures in favour of increased disclosure of a company's environmental risk through company-specific disclosure as well as compliance with international environmental conventions and adherence to environmental principles will be supported. Similarly, the ESG Policy will support proposals requesting companies develop greenhouse gas emissions reduction goals, comprehensive recycling. The ESG Policy will evaluate a company's impact on the environment, in addition to the regulatory risk a company may face by not adopting environmentally responsible policies. Further, the ESG Policy will consider voting against directors for not appropriately overseeing environmental risk.
- On the Social side, the ESG Policy will support several proposals, including but not limited to requesting that a company develop sustainable business practices, such as animal welfare policies, human rights policies, and fair lending policies. Furthermore, the ESG Policy will also generally support enhancing the rights of workers, as well as considering the communities and broader constituents in the areas in which companies do business.
- On the Governance side, the ESG Policy supports, within other aspects, increased shareholder participation and access to a company and its board of directors. Accordingly, the ESG Policy will vote in favour of initiatives that seek to enhance shareholder rights, such as the introduction of majority voting to elect directors, the adoption and amendment of proxy access bylaws, the elimination/reduction of supermajority provisions, the declassification of the board, the submission of shareholder rights' plans to a shareholder vote, and the principle of one share, one vote.

## Engagement

The Manager appointed a third-party engagement specialist, Glass Lewis Europe Limited, for the passive equity funds managed by VanEck Asset Management B.V. The engagement provider determines the engagement approach in accordance with its engagement policy and based on its engagements' priorities.

### 15 Other information

New Funds may be created from time to time by the Directors with the prior approval of the Central Bank in which case further Supplements incorporating provisions relating to those Funds will be issued by the Company.

The names of the Funds currently approved by the Central Bank are listed in the Global Addendum.



## **SCHEDULE 1**

### **DISCLAIMERS**

The Index is the exclusive property of MarketVector Indexes GmbH (MarketVector), a wholly owned subsidiary of the Manager, which has contracted with Solactive AG to maintain and calculate the Index. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards MarketVector, Solactive AG has no obligation to point out errors in the Index to third parties. The Fund is not sponsored, endorsed, sold or promoted by MarketVector and MarketVector makes no representation regarding the advisability of investing in the Fund. Index values are calculated daily and are disseminated every 15 seconds between the hours of approximately 1.00 and 22:40 (CET).

In accordance with Central Bank requirements, the Company and the Fund are required to provide details of the Index Provider's website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company and the Funds have no responsibility for the Index Provider's website and are not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof.

The indicative optimized portfolio value/ intra-day portfolio value is calculated by S&P Global Ltd.

## ANNEX I

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:** VanEck Video Gaming and eSports UCITS ETF

**Legal entity identifier:** 6354004UKGUQNC0Z0U60

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Does this financial product have a sustainable investment objective?**

☒ ☐ Yes

☒ ☐ ☒ No

It will make a minimum of sustainable investments with an environmental objective: \_\_\_\_%

- in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of sustainable investments with a social objective: %

It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

✘ It promotes E/S characteristics, but **will not make any sustainable investments**



**What environmental and/or social characteristics are promoted by this financial product?**

1. The Fund promotes the reduction of the most negative impacts on society and the environment through:
  - Reducing exposure to Very Severe controversies relating to international standards on responsible business, human rights and labour rights, via exclusions based on the Norm-based research;
  - Avoiding exposure to companies involved in Controversial Weapons and Civilian Firearms

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- Limiting the exposure to carbon risk and specific business activities by excluding companies deriving significant (>5%) revenues from certain sectors and energy extractives, such as thermal coal.
2. The Glass Lewis ESG voting policy is applied whereby votes are cast on sustainability matters.

A reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by the financial product. Compared to a non ESG eSport fund, this Fund applies mandatory Environmental and Social factors and limits. These are corresponding to the Principle Adverse Impacts specified below.

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The Fund measures the following sustainability indicators:

| Indicator   |
|---|
| The percentage of portfolio involved in violation of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights. The target is 0% at rebalancing. |
| The percentage of portfolio involved in the fossil fuels industry   |
| The percentage of portfolio involved in non-renewable energy production   |

● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

Not applicable.

● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Not applicable.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Not applicable.



*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

decisions based on factors such as investment objectives and risk tolerance.

## Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, the Fund considers principal adverse impacts on sustainability factors.

☐ No

The Fund considers the following principal adverse impacts on sustainability factors:

1. Greenhouse Gas (GHG Emissions):
  - Part of Norm-based research on environmental protection "Failure to mitigate climate change impacts"
  - Fossil Fuel/Coal exclusions - Total Maximum Percentage of Revenues is 5%: This factor provides the maximum percentage of recent-year revenues for issuer's total involvement in coal/fossil fuel, including any exposure in Production, Exploration, Distribution, and Services.
2. Biodiversity
  - Part of Norm-based research on environmental protection "Failure to prevent depletion of biodiversity" and "Failure to prevent deforestation / illegal logging"
3. Water
  - Part of Norm-based research on environmental protection "Failure to prevent depletion of biodiversity", "Failure to prevent water pollution" and "Failure to prevent oil spill"
4. Waste
  - Part of Norm-based research on environmental protection "Poor waste management", "Poor nuclear safety", "Failure to prevent pollution" and "Failure to mitigate the production / distribution of hazardous substances"
5. Social and employee, respect for human rights, anti-corruption and anti-bribery matters
  - ISS norms based screening covers controversial practices that have adverse impacts on society and the environment in line with established expectations for Responsible Business Conduct as set forth in the core normative framework consisting of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights, all of which are embedded in the Sustainable Development Goals.
  - Part of Norm-based research on Human Rights, including "Failure to conduct human rights due diligence" and "Failure to provide equal pay for work of equal value"
  - Controversial weapons screenings are performed whereby companies with a RED exposure score in anti-personnel mines, biological and chemical weapons, cluster munitions, depleted uranium, incendiary weapons, white phosphorus and nuclear weapons are excluded from the index.

Companies for which there is no data or not all relevant data fields are collected by the ESG provider can be eligible for inclusion.

Additionally, principal adverse impacts are considered as part of the Glass Lewis ESG policy guidelines whereby votes are casted regarding the environment, energy efficiency, the use of renewable energy sources, enhancing the rights of workers, violation of international human rights standards, gender pay inequity and board diversity.

In the Fund's annual report a description is included on how the Fund has considered principal adverse impacts on sustainability factors in the preceding year.

## What investment strategy does this financial product follow?

The Fund's investment objective is to replicate, before fees and expenses, the price and yield performance of the MarketVector Global Video Gaming & eSports ESG Index. The Fund seeks to invest in publicly listed companies generating at least 50% of their revenues from video gaming & eSports. Norm-based research and Controversial sector involvement screenings are performed in the selection of companies in the Index. In addition, the Glass Lewis ESG policy guidelines are applied



whereby votes are casted on sustainability matters in shareholder meetings of companies in the portfolio.

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The Fund's investments must comply with the following binding elements:

1. Exclusion of companies with a very severe controversy rating relating to Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights are excluded based on Norm-based research.
2. Exclusion of companies which are involved in the production or critical component supply for Controversial Weapons.
3. Exclusion of companies which are involved in the production, distribution and services of Civilian Firearms.
4. Exclusion of companies which derive 5% or more revenues from Tobacco, Energy Extractives (Thermal Coal, Fossil Fuels, Oil Sands, Nuclear Power), and Military Equipment and Services.

● **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

The Fund does not commit to a minimum rate to reduce the scope of investments prior to the application of the investment strategy.

● **What is the policy to assess good governance practices of the investee companies?**

Good governance relates to sound management structures, employee relations, remuneration of staff and tax compliance. The Fund excludes companies when ISS rating shows the verifiably violated or imminent to violate the OECD Guidelines for multinational enterprises and the UN Guiding Principles on Business and Human Rights.

Assessment is performed at any rebalancing of the underlying Index, excluding companies with a score of 9 or 10, according to the Norm-based research overall score approach, equivalent to verified or imminent failure to respect established norms.

In addition, the Fund also excludes companies with a very severe controversy rating. The rating takes into account, among others, Accounting Fraud, Anti-competitive Behaviour, Bribery, Money Laundering, Failure to manage cybersecurity, Failure to pay fair share of taxes, Poor stakeholder consultation, Workplace discrimination, Labour Rights Violations, Working Conditions as well as Supply-Chain standards.

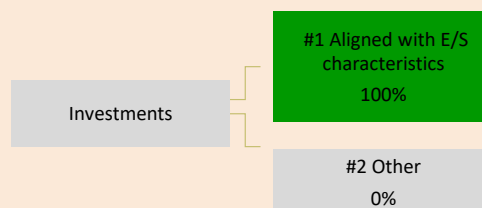
**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax

**What is the asset allocation planned for this financial product?**

The Fund invests in direct financial instruments which are 100% aligned with the environmental and social characteristics that it promotes.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

**Asset allocation** describes the share of investments in specific assets.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

Taxonomy-aligned activities are expressed as a share of:

- turnover reflecting the share of revenue from green activities of investee companies
- capital expenditure (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- operational expenditure (OpEx) reflecting green operational activities of investee companies.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Not applicable.

- Does the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?

☐ Yes

☐ In fossil gas ☐ In nuclear energy

☒ No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures




### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the Fund promotes environmental and social characteristics within the meaning of Article 8 of the SFDR, it does not currently commit to investing in any "sustainable investments" within the meaning of the SFDR. It should be noted that the investments underlying this Fund do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation and, as such, the Fund's portfolio alignment with such Taxonomy Regulation is not calculated. It follows that the minimum extent of sustainable investments with an aligned environmental objective aligned with the Taxonomy Regulation is currently 0%.

The "do no significant harm" principle applies only to those investments underlying the Fund that take into account the EU criteria for environmentally sustainable economic activities. The

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

investments underlying the remaining portion of the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

● **What is the minimum share of investments in transitional and enabling activities?**

The minimum share of investments in transitional and enabling activities is 0%.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The minimum share of non-aligned environmental sustainable investments is 0%.



**What is the minimum share of socially sustainable investments?**

The minimum share of socially sustainable investments 0%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Not applicable, all investments are aligned with the environmental and social characteristics.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they

**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

As a passive investment's strategy, the Fund has designated the MarketVector™ Global Video Gaming & eSports ESG Index as reference benchmark to meet the environmental and social characteristics that it promotes.

● **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Sustainability factors are considered as part of screenings that are included in the reference benchmark. By means of Norm-based research and Controversial sector involvement screenings the Fund takes sustainability factors relating to greenhouse gas emissions, biodiversity, water, waste, social and employee, respect for human rights, anti-corruption and anti-bribery matters into account. Compared to a non ESG eSport fund, this Fund applies mandatory Environmental and Social factor and limits. These are corresponding to the Principle Adverse Impacts.

For more detailed information, please refer to the question “Does this financial product consider principal adverse impacts on sustainability factors?”.

● **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

In order to seek to achieve its investment objective, the investment policy of the Fund is to use a replication strategy by investing directly in the underlying equity securities that consists of the component securities of the Index. The Fund is passively. The Fund's Manager, in order to ensure the alignment with the ESG characteristics that it promotes, monitors that the holdings are screened against the underlying Index's exclusion by means of:

- Replication by the Portfolio Management Team of the Index based on the Index rules. Those also contain the requirements related to Norm-based research and Controversial sector involvement screenings (tobacco, fossil fuels, thermal coal mining, gambling, oil sands, civilian firearms, military equipment and services, and nuclear power), as coded in the Bloomberg Compliance Manager system. The Index components are periodically rebalanced by the Index provider.

- Reporting of any breaches of the Index rules by the Legal and Compliance Team, in line with VanEck's policies and procedures, which are established to assess the alignment of the funds' investments with the Index and to undertake recovery measures where necessary.
- Periodic confirmation on ESG integration by the Index provider as part of the regular due diligence.
- Establishment of an ESG Committee which periodically reviews the compliance of the Fund's characteristics with the current regulation and which goal is to establish, maintain and further develop and monitor ESG strategies offered by VanEck. The ESG Committee is composed by the managing directors and at least one member of each department.
- Appointment of a proxy voting specialist - Glass Lewis Europe Limited - to exercise voting rights for all equity funds also on ESG factors. VanEck is periodically informed by the service provider on the voting activities.
- Appointment of a third-party engagement specialist - Glass Lewis Europe Limited - for the passive equity funds managed by VanEck Asset Management B.V. The engagement provider determines the engagement approach in accordance with its engagement policy and based on its engagements' priorities.

● ***How does the designated index differ from a relevant broad market index?***

The index differs from a generic broad market index in following ways:

- Thematic investment approach: companies that generate at least 50% (25% for current components) of their revenues from video gaming & eSports.
- ESG screenings: companies with very severe norms violations, the ones that are involved in civilian firearms, controversial weapons or that exceed certain thresholds of revenue exposure to various sectors (tobacco, energy extractives and military equipment and services), are not eligible for inclusion.

● ***Where can the methodology used for the calculation of the designated index be found?***

Information on the methodology can be found on the Index Provider's website:

[https://www.mvis-indices.com/rulebooks/download/mv\\_equity\\_guide.pdf](https://www.mvis-indices.com/rulebooks/download/mv_equity_guide.pdf).



**Where can I find more product specific information online?**

More product-specific information can be found on the website:

<https://www.vaneck.com/ie/en/espo/>.

**VANECK UCITS ETFs plc**

**Supplement dated 20 June 2025**

**for**

**VanEck Morningstar Global Wide Moat UCITS ETF**

This Supplement contains specific information in relation to the **VanEck Morningstar Global Wide Moat UCITS ETF** (the **Fund**), a sub-fund of **VanEck UCITS ETFs plc** (the **Company**), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank pursuant to the Regulations.

**This Supplement forms part of, may not be distributed unless accompanied by (other than to prior recipients of the Prospectus of the Company dated 20 December 2024, as may be amended, supplemented or modified from time to time), and should be read in conjunction with the Prospectus for the Company.**

THIS DOCUMENT IS IMPORTANT. YOU SHOULD NOT PURCHASE SHARES IN THE FUND DESCRIBED IN THIS SUPPLEMENT UNLESS YOU HAVE ENSURED THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT AND THE RISKS INVOLVED AND ARE SATISFIED THAT THE INVESTMENT IS SUITED TO YOUR CIRCUMSTANCES AND OBJECTIVES, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU ARE RECOMMENDED TO TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR.

The Directors of the Company whose names appear in the section entitled **Directors of the Company** in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

**Shares purchased on the secondary market cannot usually be sold directly back to the Fund. Investors must buy and sell Shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value when buying Shares and may receive less than the current Net Asset Value per Share when selling them.**

**An investment in the Fund, whose securities comprise holdings in emerging markets, should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors.**

Certain risks attached to investments in the Fund are set out in the Prospectus in the section entitled **Risk Factors**.

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## **1 IMPORTANT INFORMATION**

### **1.1 Profile of a typical investor**

A typical investor is expected to be an informed investor who is able to bear capital and income risk, and should view investment in the Fund as a medium to long term investment. A typical investor is expected to be an investor who wishes to take exposure to the markets covered by the Fund's investment policy and is prepared to accept the risks associated with an investment of this type, including the volatility of such market.

### **1.2 General**

This Supplement sets out information in relation to the Shares and the Fund. You must also refer to the Prospectus which is separate to this document and describes the Company and provides general information about offers of shares in the Company. You should not take any action in respect of the Shares unless you have received a copy of the Prospectus. Should there be any inconsistency between the contents of the Prospectus and this Supplement, the contents of this Supplement will, to the extent of any such inconsistency, prevail. This Supplement and the Prospectus should both be carefully read in their entirety before any investment decision with respect to Shares is made.

The Shares of the Fund have been admitted to listing on the Official List and trading on the Regulated Market of Euronext Dublin. This Supplement together with the Prospectus includes all information required to be disclosed by Euronext Dublin listing requirements and comprise listing particulars for the purpose of listing the Shares of the Fund on Euronext Dublin.

Neither the admission of Shares of the Fund to listing on the Official List and to trading on the Regulated Market of Euronext Dublin nor the approval of the listing particulars pursuant to the listing requirements of Euronext Dublin shall constitute a warranty or representation by Euronext Dublin as to the competence of service providers to or any other party connected with the Fund, the adequacy of information contained in the listing particulars or the suitability of the Fund for investment purposes.

As of the date of this Supplement, the Company does not have any loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

### **1.3 Suitability of Investment**

**You are advised to inform yourself as to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Shares.**

**The Shares are not principal protected. The value of the Shares may go up or down and you may not get back the amount you have invested. See the section entitled Risk Factors of the Prospectus and the section entitled Risk Factors of this Supplement for a discussion of certain risks that should be considered by you.**

An investment in the Shares is only suitable for you if you are a sophisticated investor and (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from



such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

## 1.4 Distribution of this Supplement and Selling Restrictions

Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus and is not authorised in any jurisdiction after publication of the audited annual report of the Company unless a copy of the then latest annual report and, if distributed after the semi-annual report has been produced, a copy of the then latest published semi-annual report and unaudited accounts is made available in conjunction with the Prospectus and this Supplement. The distribution of this Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. If you receive a copy of this Supplement and/or the Prospectus you may not treat such document(s) as constituting an offer, invitation or solicitation to you to subscribe for any Shares unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without compliance with any registration or other legal requirement other than those with which the Company has already complied. If you wish to apply for the opportunity to purchase any Shares it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile.

## 2 INVESTMENT OBJECTIVE AND POLICIES

### 2.1 Investment Objective

The Fund's investment objective is to replicate, before fees and expenses, the Morningstar® Global Wide Moat Focus Index<sup>SM</sup> (the **Index**). For a further description of the Index see the section entitled **Information on the Index** below.

### 2.2 Investment Policy

In order to seek to achieve its investment objective, the Manager will use a replication strategy by investing directly in the underlying equity securities that consists of the component securities of the Index. The Fund will invest in global equity securities which are listed or traded on the Markets referred to in Appendix II of the Prospectus.

The Fund will seek the prior approval of the Central Bank should the Fund seek to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. In exceptional market circumstances, such as, but not limited to, a material price movement impacting the weighting of an underlying equity security of the Index or disruptive market conditions or extremely volatile markets, an underlying equity security of the Index which is held by the Fund may exceed the regulatory limits intra rebalancing dates which would result in the Fund seeking to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. Where it is not practical or cost efficient for the Fund to fully replicate the Index, the Manager may utilise an optimised sampling methodology and further detail in respect of this approach is set out in the section entitled Investment Approach below.

**The Fund may also (or alternatively) invest in financial derivative instruments (FDIs) which relate to the Index or constituents of the Index.** The FDIs which the Fund may use are futures, options (puts and calls), swaps (equity swaps and swaps on the Index), currency forwards and non-deliverable forwards (a forward contract that does not require settlement on maturity) (**NDFs**). Futures and options may be used in order to equitise (use) cash balances pending investment of subscription proceeds or other cash balances held by the Fund to seek to reduce tracking error. Currency forwards and NDFs may be used to hedge currency exposures. The Fund may use FDIs as an alternative to direct investment in the constituents of the Index in order to avail of the related cost or liquidity advantages of

FDIs which may, in certain circumstances, be available over the direct investment in the constituents of the Index. The Fund may also use American depository receipts (**ADRs**), global depository receipts (**GDRs**) or participation notes (**P Notes**) to gain exposure to equity securities instead of using physical securities in circumstances where, due to local restrictions or quota limitations, it is not possible to hold these directly or where it is otherwise advantageous to the Fund to do so. The Fund may invest in such P Notes to gain exposure to restricted markets (the Saudi Arabian or Indian market). The Fund may invest more than 20% of its Net Asset Value in emerging markets.

The Fund may also invest in ancillary liquid assets and money market instruments which may include bank deposits, depository receipts, certificates of deposit, fixed or floating rate instruments (treasury bills), commercial paper, floating rate notes and freely transferable promissory notes. The ancillary liquid assets, money market instruments and FDI (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus. Investment in ancillary liquid assets and money market instruments may be utilised in a variety of circumstances, including but not limited to, situations such as managing total exposure to cash and borrowing on a short term basis and in anticipation of participation in a rights offering.

### 2.3 Efficient Portfolio Management

Investors should note that the Fund may invest in FDIs for efficient portfolio management or hedging purposes only. The Fund may use futures, swaps and currency forwards for the purpose of reducing risk associated with currency exposures within the Fund. This may on occasions lead to an increase in risk profile of the Fund or result in a fluctuation in the expected level of volatility. Please see the section entitled **Risk Factors** in the Prospectus in relation to such risks.

The Fund will employ the commitment approach to assess the Fund's global exposure and to ensure that the Fund's use of derivative instruments is within the limits specified by the Central Bank. Global exposure will be calculated daily. While the Fund may be leveraged through the use of the FDIs, any such leverage will not exceed 100% of the Fund's Net Asset Value.

Investment in FDIs is subject to the conditions and limits contained in the CBI UCITS Regulations. Subject to these limits, the Fund may invest in FDIs dealt on any of the regulated markets set out in the list of Markets in Appendix II to the Prospectus (and/or over the counter FDIs (OTCs)) which will be used for investment, efficient portfolio management and/or for hedging purposes.

The Company employs a risk management process which enables it to accurately measure, monitor and manage at any time the various risks associated with FDIs and their contribution to the overall risk profile of the portfolio of assets of the Fund. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments. The Fund will only invest in FDIs in accordance with the risk management policy prepared and submitted to the Central Bank in accordance with the Central Bank requirements.

The Fund may invest in FDIs dealt over-the-counter provided that the counterparties to over-the-counter transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

Position exposure to the underlying assets of FDIs or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the CBI UCITS Regulations.

In addition, the Fund may enter into stocklending, repurchase and reverse repurchase agreements for efficient portfolio management purposes only subject to the conditions and the limits set out in the CBI UCITS Regulations. Investors are referred to the section entitled **Use of Financial Derivative Instruments and Efficient Portfolio Management** in the Prospectus.

## 2.4 Securities Financing Transactions

While the Company may enter into securities financing transactions and repurchase agreements (**SFTs**) (as defined under Article 3 (11) of Regulation (EU) 2015/2365) (the SFTR), it is not anticipated that the Fund will enter into any SFTs. However, in the event that the Fund contemplates entering into such transactions, investors will be provided with further details of the structure and use of such transactions, together with any other information required to be disclosed to investors in accordance with Articles 13 and 14 of the SFTR. The Supplement will be updated accordingly in the event that the Fund will enter into any SFTs.

## 3 INVESTMENT APPROACH

In order to seek to achieve its investment objective, the investment policy of the Fund is to use a replication strategy by investing directly in the underlying equity securities that consists of the component securities of the Index. The Fund will be 'passively' managed.

Where full replication is not possible, the Fund will invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities that generally replicate the Index. However, under various circumstances, it may not be practicable and possible to invest in such equity securities in proportion to their weightings in the Index. It is not expected that the Fund would invest in securities outside the Index under normal circumstances. In extraordinary circumstances the Fund may use such other techniques including, but not limited to, representative or "optimised" sampling to gain access to stocks which provide economic characteristics similar to the security in the Index. There also may be instances, for example if one or more securities are suspended from trading or in situations where the Fund is forced to liquidate particular securities, in which the Manager may choose to overweight a security in the Index, purchase securities not in the Index which the Manager believes are appropriate to substitute for certain securities in the Index or utilise other investment techniques in seeking to replicate, before fees and expenses, the price and yield performance of the Index. The Fund may sell securities that are represented in the Index in anticipation of their removal from the Index or purchase securities not represented in the Index in anticipation of their addition to the Index.

Anticipated tracking error is based on the expected volatility of differences between the returns of the Fund and the returns of the Index. For a physically replicating ETF, one of the primary drivers of tracking error is the difference between the Fund's holdings and index constituents. Cash management, trading costs from rebalancing and withholding tax or stamp duty suffered by the Fund on any income received from its Investments can also have an impact on tracking error as well as the return differential between the ETF and the benchmark index. The impact can be either positive or negative depending on the underlying circumstances. The anticipated tracking error of the Fund is not a guide to its future performance. The annualised tracking error envisaged is not anticipated to exceed 0.20 % under normal market conditions.

## 4 INFORMATION ON THE INDEX

The Index is designed to provide exposure to no more than 100 of the top equity securities in the Morningstar Global Markets Index<sup>SM</sup> (Parent Index) that are rated as wide moat companies (being a company which it is believed will have sustainability in its competitive advantage(s)) and have the lowest current market price/ fair value ratio determined in an independent research process by the Morningstar equity research team. The quantitative factors used by Morningstar to identify competitive advantages

currently include historical and projected returns on invested capital relative to cost of capital. The qualitative factors used by Morningstar to identify competitive advantages currently include customer switching cost (i.e., the costs of customers switching to competitors), internal cost advantages, intangible assets (e.g., intellectual property and brands), network effects (i.e., whether products or services become more valuable as the number of customers grows) and efficient scale (i.e., whether the company effectively serves a limited market that potential rivals have little incentive to enter into).

To qualify for inclusion in the Morningstar® Global Wide Moat Focus Index, all Parent Index constituents must meet the following criteria:

- (a) Company is assigned a wide moat classification by a Morningstar equity research analyst.
- (b) Company is assigned a fair value price by a Morningstar equity research analyst.
- (c) Company cannot be under review by a Morningstar equity research analyst at time of index review.
  - (i) A company may go under review, either because the analyst is incorporating new information into the valuation model or because of a transition in analyst coverage.
  - (ii) Morningstar equity research analysts strive to minimise the amount of time a fair value is under review, particularly for moat-rated equity securities, and therefore it is expected to be rare for a stock to drop out of the index for this reason.

The stocks that meet all of the above criteria are considered for inclusion in the Morningstar Global Wide Moat Focus Index. Fair value is determined by employing the Morningstar equity research methodology which requires a review of the estimated future cash flows and estimated costs of capital of a company to assign a valuation to the relevant equity security.

The Index Provider utilises a momentum screen, in which momentum represents a security's 12-month price change. The momentum screen is used to exclude 20% of the wide moat stocks with the worst 12-month momentum based on a 12-month price change of each stock. Also a liquidity filter is applied. Stocks that are currently not Index components are screened out if they have a three-month average daily trading value of less than 5 million USD. A buffer rule is applied to the current Index constituents. Those that are ranked in the top 100% of eligible stocks representing the lowest current market price/fair value ratio will remain in the Index at the time of reconstitution. From among the remaining companies, those representing the lowest current market price/fair value ratios are included in the index until the number of constituents reaches 50.

The maximum weight of an individual country or sector in the Global Wide Moat Focus Index is capped at 40% or at its corresponding weight in the Parent Index at the time of reconstitution plus 10 percent, whichever is higher.

The Index employs a staggered rebalance methodology. The Index is divided into two equally-weighted sub-portfolios, and each is reconstituted and rebalanced semi-annually on alternating quarters. Each sub-portfolio will contain approximately 50 equally-weighted securities at the time of its semi-annual reconstitution, and weights will vary with market prices until the next reconstitution date. Due to the staggered rebalance methodology, constituents and weightings may vary between sub-portfolios. Each sub-portfolio is reweighted to 50% of the total Index weight every six months. Adjustments to one sub-portfolio are performed after the close of business on the third Friday of March and September and

adjustments to the other sub-portfolio are performed after the close of business on the third Friday of June and December, and all adjustments are effective on the following Monday. If the Monday is a market holiday, reconstitution and rebalancing occurs on the Tuesday immediately following.

Each reconstituted sub-portfolio targets 50 constituents based on a transparent ranking system subject to selection and eligibility criteria at reconstitution. However, if securities fall short of the selection and eligibility criteria, or if securities are added or deleted as a result of corporate actions after reconstitution, the sub-portfolio can hold more or fewer than 50 companies. In addition, securities that are deleted from the corresponding Parent Index after June and December reconstitutions are simultaneously deleted from the Morningstar Global Wide Moat Focus Index. The aggregate portfolio can contain between 50 and 100 constituents.

## 5 INDEX PROVIDER

The Index is published by Morningstar, Inc. (the **Index Provider**). The Index Provider does not sponsor, endorse, or promote the Fund and bears no liability with respect to the Fund or any security.

Morningstar® is a registered trademark of the Index Provider. Morningstar® Global Wide Moat Focus IndexSM is a service mark of the Index Provider. The Index Provider is a leading provider of independent investment research in North America, Europe, Australia, and Asia. The Index Provider offers an extensive line of internet, software, and print-based products and services for individuals, financial advisors, and institutions. The Index is rooted in the Index Provider's proprietary research and is based on a transparent, rules-based methodology. Presently, the Index Provider has developed and is maintaining a number of indexes in addition to the Index.

In accordance with Central Bank requirements, the Company is required to provide details of the Index Provider's website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company has no responsibility for the Index Provider's website and is not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof. Further information in relation to the Index may be found on the Index Provider's website, <https://indexes.morningstar.com/indexes/details/morningstar-global-wide-moat-focus-FS000DOH9?currency=USD&variant=TR&tab=overview>.

## 6 INVESTMENT RESTRICTIONS

The general investment restrictions as set out in the Prospectus shall apply. The Fund may not invest more than 10% of its Net Asset Value in open-ended collective investment schemes.

The Fund may not invest less than 51% of its Net Asset Value in equity securities which constitute "equity participation" within the meaning of section 2, Article 8 of the German Investment Tax Act (Investmentsteuergesetz). Equity participation in this context consists of shares in corporations traded or admitted for trading on a regulated market or multilateral trading facility (MTF) considered as such by the European Securities and Markets Authority (ESMA). The actual equity participation ratios of target investment funds can be taken into account.

There may be instances where the weighting of any constituent security of the Index could cause the Fund to breach the investment restrictions set out in the Prospectus. If such an event occurs, it is intended that the Fund will purchase other assets, the effect of which will seek to maintain, so far as is possible, the same economic exposure to and the same weighting of the security of that issuer in the Index without breaching its investment restrictions.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders.

## 7 BORROWING

The Fund may borrow money in an amount up to 10% of the market value of its net assets at any time for the account of any Fund and the Depositary may charge the assets of the Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Fund may acquire currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of the Regulations provided that the offsetting deposit is denominated in the Base Currency of the Fund and equals or exceeds the value of the foreign currency loan outstanding.

## 8 RISK FACTORS

The general risk factors as set out in the section entitled **Risk Factors** in the Prospectus apply.

Investors in the Fund should be willing to accept a high degree of volatility in the price of the Fund's Shares and the possibility of significant losses. An investment in the Fund involves a substantial degree of risk. Therefore, you are advised consider carefully the following risks before investing in the Fund.

An investment in the Fund may be subject to risks which include, among others, material transaction cost from rebalancing activity and fluctuations in the value of securities held by the Fund due to market and economic conditions or factors relating to specific issuers.

The value of investments and the income from them, and therefore the value of and income from the Shares can go down as well as up and an investor may not get back the amount invested. The Fund's exposure is based on the performance of the Index securities which, in turn, is exposed to general market movements (negative as well as positive).

Certain additional risks may also be associated with the Fund, including, without limitation:

### 8.1 Risk of Investing in the Information Technology Sector

The information technology sector includes software developers, providers of information technology consulting and services and manufacturers and distributors of computers, peripherals, communications equipment and semiconductors. Information technology companies face intense competition, both domestically and internationally, which may have an adverse effect on profit margins. Information technology companies may have limited product lines, markets, financial resources or personnel. The products of information technology companies may face product obsolescence due to rapid technological developments and frequent new product introduction, unpredictable changes in growth rates and competition for the services of qualified personnel. Companies in the information technology sector are heavily dependent on patent protection and the expiration of patents may adversely affect the profitability of these companies.

### 8.2 Risk of Investing in the Health Care Sector

The health care sector includes companies that manufacture health care equipment and supplies or provide health care-related services, as well as those that are involved in the research, development, production and marketing of pharmaceuticals and biotechnology. In the event that the Companies in the healthcare sector may be affected by extensive government regulation, restrictions on government reimbursement for medical expenses, rising costs of medical products and services, pricing pressure, an increased emphasis on outpatient services, limited number of products, industry innovation, changes in technologies and other market developments. Many healthcare companies are heavily dependent on patent protection and are subject to extensive litigation based on product liability and similar claims.

The expiration of patents may adversely affect the profitability of these companies. Health care companies are subject to competitive forces that may make it difficult to raise prices and, in fact, may result in price discounting. Many new products in the health care sector may be subject to regulatory approvals. The process of obtaining such approvals may be long and costly. Companies in the health care sector may be thinly capitalised and may be susceptible to product obsolescence.

### **8.3 Risk of Investing in the Energy Sector**

The energy sector includes companies engaged in the exploration, production and distribution of energy sources and companies that manufacture or provide related equipment or services. Companies operating in the energy sector are subject to risks including, but not limited to, economic growth, worldwide demand, political instability in the regions that the companies operate, government regulation stipulating rates charged by utilities, interest rate sensitivity, oil price volatility and the cost of providing the specific utility services. In addition, these companies are at risk of civil liability from accidents resulting in injury, loss of life or property, pollution or other environmental damage claims and risk of loss from terrorism and natural disasters.

### **8.4 Risk of Investing in the Consumer Discretionary Sector**

The consumer discretionary sector includes automotive, household durable goods and apparel manufacturers and companies that provide retail, lodging, leisure or food and beverage services. Companies engaged in the consumer discretionary sector are subject to fluctuations in supply and demand. These companies may also be adversely affected by changes in consumer spending as a result of world events, political and economic conditions, commodity price volatility, changes in exchange rates, imposition of import controls, increased competition, depletion of resources and labour relations.

### **8.5 Risk of Investing in the Consumer Staples Sector**

The consumer staples sector includes, among others, manufacturers and distributors of food, beverages and tobacco, food and medicine retailers and products of non-durable household goods and consumer products. These companies may be adversely affected by changes in the worldwide economy, consumer spending, competition, demographics and consumer preferences, exploration and production spending. These companies are subject to government regulation affecting their products which may negatively impact such companies' performance.

### **8.6 Risk of Investing in the Financial Services Sector**

Companies in the financial services sector may be subject to extensive government regulation that affects the scope of their activities, the prices they can charge and the amount of capital they must maintain. The profitability of companies in the financial services sector may be adversely affected by increases in interest rates, by loan losses, which usually increase in economic downturns, and by credit rating downgrades. In addition, the financial services sector is undergoing numerous changes, including continuing consolidations, development of new products and structures and changes to its regulatory framework. Furthermore, some companies in the financial services sector perceived as benefitting from government intervention in the past may be subject to future government-imposed restrictions on their businesses or face increased government involvement in their operations. Increased government involvement in the financial services sector, including measures such as taking ownership positions in financial institutions, could result in a dilution of each Fund's investments in financial institutions. Recent developments in the credit markets may cause companies operating in the financial services sector to incur large losses, experience declines in the value of their assets and even cease operations.

### **8.7 Risk of Investing in the Industrials Sector**

Companies in the industrials sector may be adversely affected by changes in government regulation, world events and economic conditions. In addition, companies in the industrials sector may be adversely affected by environmental damages, product liability claims and exchange rates. The stock prices of companies in the industrials sector are affected by supply and demand both for their specific product or service and for industrial sector products in general. The products of manufacturing companies may face product obsolescence due to rapid technological developments and frequent new product introduction. In addition, the industrials sector may also be adversely affected by changes or trends in commodity prices, which may be influenced or characterised by unpredictable factors.

#### **8.8 Risk of Investing in the Communication Services Sector**

The Fund will be sensitive to, and its performance may depend to a greater extent on, the overall condition of the communication services sector. Companies in the communication services sector may be affected by industry competition, substantial capital requirements, government regulations and obsolescence of communications products and services due to technological advancement.

#### **8.9 Limited Diversification Risk**

The Fund may invest a relatively high percentage of its assets in a smaller number of issuers or may invest a larger proportion of its assets in a single issuer. As a result, the gains and losses on a single investment may have a greater impact on the Fund's Net Asset Value and may make the Fund more volatile than more diversified funds.

#### **8.10 Risk of Investing in Small and Medium-Capitalization Companies**

The securities of small- and medium-capitalisation companies may be more volatile and less liquid than the securities of large companies. As securities of small- and medium-capitalisation companies may experience more market price volatility than securities of larger companies, the net asset value of any fund which invests in small- and medium-capitalisation companies (such as the Fund) may reflect this volatility. Small- and medium-capitalisation companies, when compared with larger companies, may have a shorter history of operations, fewer financial resources, less competitive strength, may have a less diversified product line, may be more susceptible to market pressure and may have a smaller market for their securities. Investment in small- and medium-capitalisation companies may involve comparatively higher investment costs and accordingly investment in the Fund should be viewed as a long term investment. The Fund may however dispose of an investment made by it within a relatively short period of time, for example, to meet requests for redemption of Shares.

#### **8.11 Foreign Currency Risk**

In the event that the Fund's assets are invested in securities denominated in currencies other than the Base Currency, all or a portion of the proceeds received by the Fund from its investments and/or the revenues received from such underlying issuer will generally not be in the Base Currency. The Fund's exposure to foreign currencies and changes in the value of foreign currencies versus the Base Currency may result in reduced returns for the Fund. Moreover, the Fund may incur costs in connection with conversions between the Base Currency and foreign currencies. The value of an emerging market country's currency may be subject to a high degree of fluctuation. This fluctuation may be due to changes in interest rates, investors' expectations concerning inflation and interest rates, the emerging market country's debt levels and trade deficit, the effects of monetary policies issued by foreign governments, central banks or supranational entities, the imposition of currency controls or other national or global political or economic developments. The economies of certain emerging market countries can be significantly affected by currency devaluations. Certain emerging market countries may also have managed currencies which are maintained at artificial levels relative to the Base Currency rather than at levels determined by the market. This type of system could lead to sudden and



large adjustments in the currency, which in turn, can have a negative effect on the Fund and its investments.

#### **8.12 Risk of Investing in Emerging Market Issuers**

Investments in securities of emerging market issuers are exposed to a number of risks that may make these investments volatile in price or difficult to trade. Emerging markets are more likely than developed markets to experience problems with the clearing and settling of trades, as well as the holding of securities by local banks, agents and depositories. Political risks may include unstable governments, nationalisation, restrictions on foreign ownership, laws that prevent investors from getting their money out of a country and legal systems that do not protect property rights as well as the laws in developed countries. Market risks may also include economies that concentrate in only a few industries, securities issues that are held by only a few investors, liquidity issues and limited trading capacity in local exchanges and the possibility that markets or issues may be manipulated by foreign nationals who have inside information. The frequency, availability and quality of financial information about investments in emerging markets varies. The Fund has limited rights and few practical remedies in emerging markets and the ability of authorities in developed countries to bring enforcement actions in emerging markets may be limited, and the Fund's passive investment approach does not take account of these risks. All of these factors can make emerging market securities more volatile and potentially less liquid than securities issued in more developed markets.

#### **8.13 Risk of Issuer-Specific Changes**

The value of individual securities or particular types of securities in the Fund's portfolio can be more volatile than the market as a whole and can perform differently from the value of the market as a whole, which may have a greater impact if the Fund's portfolio is concentrated in a country, group of countries, region, market or asset class. The value of securities of smaller issuers can be more volatile than that of larger issuers. A change in the financial condition, market perception or the credit rating of an issuer of securities included in the Index may cause the value of its securities to decline.

#### **8.14 Equity Securities Risk**

The value of the equity securities held by the Fund may fall due to general market and economic conditions, perceptions regarding the markets in which the issuers of securities held by the Fund participate, or factors relating to specific issuers in which the Fund invests. For example, an adverse event, such as an unfavourable earnings report, may result in a decline in the value of equity securities of an issuer held by the Fund; the price of the equity securities of an issuer may be particularly sensitive to general movements in the securities markets; or a drop in the securities markets may depress the price of most or all of the equities securities held by the Fund. Equity securities are subordinated to preferred securities and debt in a company's capital structure with respect to priority in right to a share of corporate income, and therefore will be subject to greater dividend risk than preferred securities or debt instruments. In addition, while broad market measures of equity securities have historically generated higher average returns than fixed income securities, equity securities have also experienced significantly more volatility in those returns. A change in the financial condition, market perception or the credit rating of an issuer of securities included in the Fund's index may cause the value of its securities to decline.

#### **8.15 Special Risk Considerations of Investing in Asian Issuers**

Investments in securities of Asian issuers involve risks and special considerations not typically associated with investment in the securities markets of developed countries. Certain Asian economies have experienced over-extension of credit, currency devaluations and restrictions, high unemployment, high inflation, decreased exports and economic recessions. Economic events in any one Asian country

can have a significant effect on the entire Asian region as well as on major trading partners outside Asia, and any adverse effect on some or all of the Asian countries and regions in which the Fund invests. The securities markets in some Asian economies are relatively underdeveloped and may subject the Fund to higher action costs or greater uncertainty than investments in more developed securities markets. Such risks may adversely affect the value of the Fund's investments.

#### 8.16 Concentration Risk

The Fund's assets may be concentrated in a particular sector or sectors or industry or group of industries to the extent the Index concentrates in a particular sector or sectors or industry or group of industries. Accordingly, the Fund may be subject to the risk that economic, political or other conditions that have a negative effect on a particular industry or sector will negatively impact the Fund to a greater extent than if the Fund's assets were invested in a wider variety of sectors or industries.

The Fund may be particularly vulnerable to this risk because the Index is comprised of securities of a very limited number of issuers. The Fund's assets may be concentrated in a small number of stocks and/or may be concentrated in particular sectors which may subject the Fund to more risk than investments in a diverse group of companies and sectors.

#### 8.17 Portfolio Turnover Risk

It is anticipated that the Fund will have high portfolio turnover in seeking to track the Index, which will result in increased transaction costs to the Fund, including brokerage commissions, dealer mark-ups and other transaction costs on the sale of the securities and on reinvestment in other securities.

### 9 DIVIDEND POLICY

It is not proposed that the Directors will declare a dividend in respect of the Fund. Full details of any change to the Fund's dividend policy will be provided in an updated Supplement and all Shareholders will be notified in advance.

### 10 KEY INFORMATION FOR PURCHASING AND SELLING

|                         |   |
|-------------------------|---|
| <b>Base Currency</b>    | US Dollar (USD)   |
| <b>Business Day</b>     | means every day other than a Saturday or Sunday (or such other day(s) as the Directors may from time to time determine and notify in advance to Shareholders).  |
| <b>Dealing Day</b>      | In general, each Business Day will be a Dealing Day. However, certain Business Days will not be Dealing Days where, in the sole determination of the Manager: (i) markets on which the Fund's investments are listed or traded, or markets relevant to the Index are closed, and/or (ii) there is a public holiday in the jurisdiction in which the Manager or its delegate(s), if applicable, is or are based; provided there is at least one Dealing Day per fortnight. The Dealing Days for the Fund are available at <a href="http://www.vaneck.com">www.vaneck.com</a> . |
| <b>Dealing Deadline</b> | 4:00 p.m. Irish time on the Business Day prior to the relevant Dealing Day.   |

|                        |  |
|------------------------|--|
| <b>Settlement Date</b> | In the case of subscription(s), within 2 Business Days of the relevant Dealing Day.<br><br>In the case of repurchases, within 3 Business Days of the relevant Dealing Day. |
| <b>Valuation Point</b> | 11:00 p.m. Irish time on the relevant Dealing Day.   |
| <b>Website</b>         | Information on portfolio composition and details of intra-day portfolio value (iNAV) are set out on the website - <a href="http://www.vaneck.com">www.vaneck.com</a>       |

#### Description of the Shares

|                                     |   |
|-------------------------------------|---|
| <b>Share Class</b>                  | A   |
| <b>ISIN</b>                         | IE00BL0BMZ89  |
| <b>Creation Unit</b>                | 50,000 Shares or such other amount as may be determined by the Directors at their discretion.   |
| <b>Minimum Initial Subscription</b> | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Initial Subscription. |
| <b>Minimum Holding</b>              | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Holding.              |

## 11 CHARGES AND EXPENSES

The following fees and expenses will be incurred by the Company on behalf of the Fund and will affect the Net Asset Value of the relevant Class of Share of the Fund:

|                    |   |
|--------------------|---|
| <b>Share Class</b> | A   |
| <b>Total Fee</b>   | Up to 0.52% per annum or such lower amount as may be advised to Shareholders from time to time. |

The Total Fee, a percentage of the Net Asset Value of the relevant Class of Shares (plus VAT, if any), is payable by the Company out of the Fund Assets to the Manager. The Total Fee will accrue on each day and will be calculated on each Dealing Day and paid monthly in arrears. The Total Fee will cover all of the ordinary fees, operating costs and expenses payable by the Fund including fees and expenses paid to the Manager, all ordinary costs and expenses connected with the management and operating activities of the Fund, including investment management and advisory fees, Director's fees, registration, transfer agency, administration and custody fees, registrar fees, regulators and auditors and certain legal expenses of the Company. The Total Fee does not include extraordinary costs and expenses (including but not limited to transaction charges, stamp duty or other taxes on the investments of the Company including duty charges for portfolio re-balancing, withholding taxes, commissions and brokerage fees incurred with respect to the Company's investments, interest on any non-overdraft credit

facility and charges incurred in negotiating, effecting or varying the terms of such facility, any commissions charged by intermediaries in relation to an investment in the Fund and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the Company all of which will be paid separately out of the assets of the Fund). The cost of establishing the Fund will be borne by the Manager.

This section entitled **Charges and Expenses** should be read in conjunction with the sections entitled **General Charges and Expenses** and **Management Charges and Expenses** in the Prospectus.

## 12 REGISTRATION FOR PUBLIC DISTRIBUTION AND LISTING

Application is expected to be made to register the Fund for public distribution in various countries.

While Shares have been listed on Euronext Dublin and other stock exchanges. Through the operation of such a secondary market, persons who are not Authorised Participants or not able or willing to subscribe for and redeem Creation Units will be able to buy Shares from or sell Shares to other retail investors or market makers, broker/dealers, or other Authorised Participants at prices which should approximate, after currency conversion, the Net Asset Value of the Shares.

## 13 HOW TO BUY AND SELL SHARES

Investors can buy and sell Shares on the secondary market as described above in accordance with the procedures set out in the section entitled **Secondary Market** in the Prospectus.

Investors can otherwise subscribe for or redeem Creation Units in accordance with the procedures set out in the Prospectus.

## 14 SUSTAINABLE FINANCE DISCLOSURE

The Manager has categorised the Fund as meeting the provisions set out in Article 6 of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector ("**SFDR**") and does not follow a dedicated ESG investment strategy. The Fund does not have sustainable investment as its investment objective, nor does it promote environmental or social characteristics.

### 14.1 Sustainability Risks

Sustainability risk is the risk that the value of an investment will decline as a result of an environmental, social or governance (ESG) event or circumstance. Ecological events include climate change, scarcity of natural resources and pollution. Social events may include labor issues and product liability. Governance can include themes such as shareholder rights, business ethics, diversity and executive remuneration. Sustainability risks can arise in all kinds of forms. With regard to the theme of climate, for example, there is a distinction between transition risks and physical risks, whereby transition risks can be divided into legal and regulatory risks, technological risks, market risks and reputation risks. In addition, the impact of sustainability risk has various scopes, including company-specific, sector-specific and on country level. The occurrence of a sustainability risk results in other (financial) risks manifesting. This can negatively affect the value of the investment.

Concrete examples of sustainability risks for the Fund are a company has an overly generous remuneration policy or a remuneration policy that is inconsistent with the interests of the shareholders. Also, a company's reputation can deteriorate as a result of negative publicity about an environmental or labor issue that can cause the value of its stock to decline. The expected impact of sustainability risks on the return depends on the type of sustainability risk that materializes. For developed markets equity portfolios, this expected impact is generally viewed as significant.

## 14.2 Sustainability risk integration features

The Fund has a passive investment policy whereby the Fund aims to follow the Index as closely as possible. The relevant Index has no specific sustainability characteristics. The Fund therefore does not have any specific sustainability characteristics as well. In the composition of the index, however, limited account is taken of sustainability risks.

The Investment Manager applies the following measures to integrate sustainability risks for this Fund:

### Exclusions

Exclusions apply to this Fund as further outlined in section 10 of the Prospectus.

### Voting

The Manager can exercise his voting rights at shareholders' meetings, according to the Proxy Voting Policy. To assist in its responsibility for voting proxies and the overall voting process, the Manager has engaged an independent third party proxy voting specialist, Glass Lewis Europe Limited, which takes also Environmental, Social and Governance factors into account when casting votes.

In particular, the Glass Lewis ESG voting policy is applied:

- (a) On the Environmental side, within others, measures in favour of increased disclosure of a company's environmental risk through company-specific disclosure as well as compliance with international environmental conventions and adherence to environmental principles will be supported. Similarly, the ESG Policy will support proposals requesting companies develop greenhouse gas emissions reduction goals, comprehensive recycling. The ESG Policy will evaluate a company's impact on the environment, in addition to the regulatory risk a company may face by not adopting environmentally responsible policies. Further, the ESG Policy will consider voting against directors for not appropriately overseeing environmental risk.
- (b) On the Social side, the ESG Policy will support several proposals, including but not limited to requesting that a company develop sustainable business practices, such as animal welfare policies, human rights policies, and fair lending policies. Furthermore, the ESG Policy will also generally support enhancing the rights of workers, as well as considering the communities and broader constituents in the areas in which companies do business.
- (c) On the Governance side, the ESG Policy supports, within other aspects, increased shareholder participation and access to a company and its board of directors. Accordingly, the ESG Policy will vote in favour of initiatives that seek to enhance shareholder rights, such as the introduction of majority voting to elect directors, the adoption and amendment of proxy access bylaws, the elimination/reduction of supermajority provisions, the declassification of the board, the submission of shareholder rights' plans to a shareholder vote, and the principle of one share, one vote.

### Engagement

The Manager appointed a third-party engagement specialist, Glass Lewis Europe Limited, for the passive equity funds managed by VanEck Asset Management B.V. The engagement provider

determines the engagement approach in accordance with its engagement policy and based on its engagements' priorities.

#### **14.3 Taxonomy Regulation Disclosure**

The underlying investments of the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

### **15 OTHER INFORMATION**

New Funds may be created from time to time by the Directors with the prior approval of the Central Bank in which case further Supplements incorporating provisions relating to those Funds will be issued by the Company.

The names of the Funds currently approved by the Central Bank are listed in the Global Addendum.

## SCHEDULE 1

### DISCLAIMER

The Manager has entered into a licensing agreement with Morningstar to use the Morningstar® Global Wide Moat Focus Index<sup>SM</sup>. VanEck Morningstar Global Wide Moat UCITS ETF (the **Fund**) is entitled to use the Morningstar Global Wide Moat Focus Index pursuant to a sub-licensing arrangement with the Manager.

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

MORNINGSTAR DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE MORNINGSTAR GLOBAL WIDE MOAT FOCUS INDEX OR ANY DATA INCLUDED THEREIN AND MORNINGSTAR SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. MORNINGSTAR MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE ADVISER, SHAREHOLDERS OF THE FUND, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE GLOBAL WIDE MOAT FOCUS INDEX OR ANY DATA INCLUDED THEREIN. MORNINGSTAR MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE GLOBAL WIDE MOAT FOCUS INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL MORNINGSTAR HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

### Intellectual Property - Role of Morningstar

The Morningstar® Global Wide Moat Focus Index<sup>SM</sup> was created and is maintained by Morningstar, Inc. ("Morningstar"). Morningstar does not sponsor, endorse, issue, sell, or promote the Fund and bears no liability with respect to the Fund or any security. Morningstar® is a registered trademark of Morningstar and Morningstar® Global Wide Moat Focus Index<sup>SM</sup> is a service mark of Morningstar.

The indicative optimised portfolio value/intra-day portfolio value is calculated by S&P Global Ltd.

**VANECK UCITS ETFs plc**

**Supplement dated 20 December 2024**

**For**

**VanEck Semiconductor UCITS ETF**

This Supplement contains specific information in relation to the **VanEck Semiconductor UCITS ETF** (the **Fund**), a sub-fund of **VanEck UCITS ETFs plc** (the **Company**), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank pursuant to the Regulations.

**This Supplement forms part of, may not be distributed unless accompanied by (other than to prior recipients of the Prospectus of the Company dated 20 December 2024, as may be amended, supplemented or modified from time to time), and should be read in conjunction with the Prospectus for the Company.**

THIS DOCUMENT IS IMPORTANT. YOU SHOULD NOT PURCHASE SHARES IN THE FUND DESCRIBED IN THIS SUPPLEMENT UNLESS YOU HAVE ENSURED THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT AND THE RISKS INVOLVED AND ARE SATISFIED THAT THE INVESTMENT IS SUITED TO YOUR CIRCUMSTANCES AND OBJECTIVES, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU ARE RECOMMENDED TO TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR.

The Directors of the Company whose names appear in the section entitled **Directors of the Company** in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

**Shares purchased on the secondary market cannot usually be sold directly back to the Fund. Investors must buy and sell Shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value when buying Shares and may receive less than the current Net Asset Value per Share when selling them.**

Certain risks attached to investments in the Fund are set out in the Prospectus in the section entitled **Risk Factors**.



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## **1 IMPORTANT INFORMATION**

### **1.1 Profile of a typical investor**

A typical investor is expected to be an informed investor who is able to bear capital and income risk, and should view investment in the Fund as a medium to long term investment. A typical investor is expected to be an investor who wishes to take exposure to the markets covered by the Fund's investment policy and is prepared to accept the risks associated with an investment of this type, including the volatility of such market.

### **1.2 General**

This Supplement sets out information in relation to the Shares and the Fund. You must also refer to the Prospectus which is separate to this document and describes the Company and provides general information about offers of shares in the Company. You should not take any action in respect of the Shares unless you have received a copy of the Prospectus. Should there be any inconsistency between the contents of the Prospectus and this Supplement, the contents of this Supplement will, to the extent of any such inconsistency, prevail. This Supplement and the Prospectus should both be carefully read in their entirety before any investment decision with respect to Shares is made.

The Shares of the Fund have been admitted to listing on the Official List and trading on the Regulated Market of Euronext Dublin. This Supplement together with the Prospectus includes all information required to be disclosed by Euronext Dublin listing requirements and comprise listing particulars for the purpose of listing the Shares of the Fund on Euronext Dublin.

Neither the admission of Shares of the Fund to listing on the Official List and to trading on the Regulated Market of Euronext Dublin nor the approval of the listing particulars pursuant to the listing requirements of Euronext Dublin shall constitute a warranty or representation by Euronext Dublin as to the competence of service providers to or any other party connected with the Fund, the adequacy of information contained in the listing particulars or the suitability of the Fund for investment purposes.

As of the date of this Supplement, the Company does not have any loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

### **1.3 Suitability of Investment**

You are advised to inform yourself as to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Shares.

The Shares are not principal protected. The value of the Shares may go up or down and you may not get back the amount you have invested. See the section entitled Risk Factors of the Prospectus and the section entitled Risk Factors of this Supplement for a discussion of certain risks that should be considered by you.

An investment in the Shares is only suitable for you if you are a sophisticated investor and (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of

such an investment and have sufficient resources to be able to bear any losses that may result from such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

#### 1.4 Distribution of this Supplement and Selling Restrictions

Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus and is not authorised in any jurisdiction after publication of the audited annual report of the Company unless a copy of the then latest annual report and, if distributed after the semi-annual report has been produced, a copy of the then latest published semi-annual report and unaudited accounts is made available in conjunction with the Prospectus and this Supplement. The distribution of this Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. If you receive a copy of this Supplement and/or the Prospectus you may not treat such document(s) as constituting an offer, invitation or solicitation to you to subscribe for any Shares unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without compliance with any registration or other legal requirement other than those with which the Company has already complied. If you wish to apply for the opportunity to purchase any Shares it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile.

## 2 INVESTMENT OBJECTIVE AND POLICIES

### 2.1 Investment Objective

The Fund's investment objective is to replicate, before fees and expenses, the MVIS US Listed Semiconductor 10% Capped ESG Index (the **Index**). For a further description of the Index see the section entitled **Information on the Index** below.

### 2.2 Investment Policy

In order to seek to achieve its investment objective, the Manager will use a replication strategy by investing directly in the underlying equity securities, being the stock, American depository receipts (ADRs), and global depository receipts (GDRs), that consists of the component securities of the Index. The Fund will invest in equity securities and depository receipts of U.S. exchange-listed companies in the semiconductor industry which are listed or traded on the Markets referred to in Appendix II of the Prospectus.

The Fund may not invest in companies that violate certain ESG criteria including companies which (i) have committed very severe norms violations, (ii) have greater than 0% revenue exposure to controversial weapons, or (iii) exceed certain thresholds of revenue exposure to various sectors including but not limited to tobacco, gambling, military equipment and services and energy extractives. Information on the thresholds of revenue and the full list of sectors is contained in the Index methodology guide which is available on the Index Provider's website.

The Fund will seek the prior approval of the Central Bank should the Fund seek to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. In exceptional market circumstances, such as, but not limited to, a material price movement impacting the weighting of an underlying equity security of the Index or disruptive market conditions or extremely volatile markets, an underlying equity security of the Index which is held by the Fund may exceed the regulatory limits intra rebalancing dates which would result in the Fund seeking to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. Where it is not practical or cost efficient for the Fund to fully replicate the Index, the

Manager may utilise an optimised sampling methodology and further detail in respect of this approach is set out in the section entitled Investment Approach below.

**The Fund may also (or alternatively) invest in financial derivative instruments (FDIs) which relate to the Index or constituents of the Index.** The FDIs which the Fund may use are futures, options (puts and calls), swaps (equity swaps and swaps on the Index), currency forwards and non-deliverable forwards (a forward contract that does not require settlement on maturity) (**NDFs**). Futures and options may be used in order to equitise (use) cash balances pending investment of subscription proceeds or other cash balances held by the Fund to seek to reduce tracking error. Currency forwards and NDFs may be used to hedge currency exposures. The Fund may use FDIs as an alternative to direct investment in the constituents of the Index in order to avail of the related cost or liquidity advantages of FDIs which may, in certain circumstances, be available over the direct investment in the constituents of the Index. The Fund may also use ADRs or GDRs to gain exposure to equity securities instead of using physical securities in circumstances where, due to local restrictions or quota limitations, it is not possible to hold these directly or where it is otherwise advantageous to the Fund to do so.

The Fund may also invest in ancillary liquid assets and money market instruments which may include bank deposits, depositary receipts, certificates of deposit, fixed or floating rate instruments (treasury bills), commercial paper, floating rate notes and freely transferable promissory notes. The ancillary liquid assets, money market instruments and FDI (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus. Investment in ancillary liquid assets and money market instruments may be utilised in a variety of circumstances, including but not limited to, situations such as managing total exposure to cash and borrowing on a short term basis and in anticipation of participation in a rights offering.

## **2.3 Efficient Portfolio Management**

Investors should note that the Fund may invest in FDIs for efficient portfolio management or hedging purposes only. The Fund may use futures, swaps and currency forwards for the purpose of reducing risk associated with currency exposures within the Fund. This may on occasions lead to an increase in risk profile of the Fund or result in a fluctuation in the expected level of volatility. Please see the section entitled **Risk Factors** in the Prospectus in relation to such risks.

The Fund will employ the commitment approach to assess the Fund's global exposure and to ensure that the Fund's use of derivative instruments is within the limits specified by the Central Bank. Global exposure will be calculated daily. While the Fund may be leveraged through the use of the FDIs, any such leverage will not exceed 100% of the Fund's Net Asset Value.

Investment in FDIs is subject to the conditions and limits contained in the CBI UCITS Regulations. Subject to these limits, the Fund may invest in FDIs dealt on any of the regulated markets set out in the list of Markets in Appendix II to the Prospectus (and/or over the counter FDIs (OTCs)) which will be used for investment, efficient portfolio management and/or for hedging purposes.

The Company employs a risk management process which enables it to accurately measure, monitor and manage at any time the various risks associated with FDIs and their contribution to the overall risk profile of the portfolio of assets of the Fund. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments. The Fund will only invest in FDIs in accordance with the risk management policy prepared and submitted to the Central Bank in accordance with the Central Bank requirements.

The Fund may invest in FDIs dealt over-the-counter provided that the counterparties to over-the-counter transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

Position exposure to the underlying assets of FDIs or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the CBI UCITS Regulations.

In addition, the Fund may enter into stocklending, repurchase and reverse repurchase agreements for efficient portfolio management purposes only subject to the conditions and the limits set out in the CBI UCITS Regulations. Investors are referred to the section entitled **Use of Financial Derivative Instruments and Efficient Portfolio Management** in the Prospectus.

## 2.4 Securities Financing Transactions

While the Company may enter into securities financing transactions and repurchase agreements (**SFTs**) (as defined under Article 3 (11) of Regulation (EU) 2015/2365) (the SFTR), it is not anticipated that the Fund will enter into any SFTs. However, in the event that the Fund contemplates entering into such transactions, investors will be provided with further details of the structure and use of such transactions, together with any other information required to be disclosed to investors in accordance with Articles 13 and 14 of the SFTR. The Supplement will be updated accordingly in the event that the Fund will enter into any SFTs.

## 3 INVESTMENT APPROACH

In order to seek to achieve its investment objective, the investment policy of the Fund is to use a replication strategy by investing directly in the underlying equity securities that consists of the component securities of the Index. The Fund will be 'passively' managed.

Where full replication is not possible, the Fund will invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities that generally replicate the Index. However, under various circumstances, it may not be practicable and possible to invest in such equity securities in proportion to their weightings in the Index. It is not expected that the Fund would invest in securities outside the Index under normal circumstances. In extraordinary circumstances the Fund may use such other techniques including, but not limited to, representative or "optimised" sampling to gain access to stocks which provide economic characteristics similar to the security in the Index. There also may be instances, for example if one or more securities are suspended from trading or in situations where the Fund is forced to liquidate particular securities, in which the Manager may choose to overweight a security in the Index, purchase securities not in the Index which the Manager believes are appropriate to substitute for certain securities in the Index or utilise other investment techniques in seeking to replicate, before fees and expenses, the price and yield performance of the Index. The Fund may sell securities that are represented in the Index in anticipation of their removal from the Index or purchase securities not represented in the Index in anticipation of their addition to the Index.

Anticipated tracking error is based on the expected volatility of differences between the returns of the Fund and the returns of the Index. For a physically replicating ETF, one of the primary drivers of tracking error is the difference between the Fund's holdings and index constituents. Cash management, trading costs from rebalancing and withholding tax or stamp duty suffered by the Fund on any income received from its Investments can also have an impact on tracking error as well as the return differential between the ETF and the benchmark index. The impact can be either positive or negative depending on the underlying circumstances. The anticipated tracking error of the Fund is not a guide to its future performance. The annualised tracking error envisaged is not anticipated to exceed 0.20 % under normal market conditions.

## 4 INFORMATION ON THE INDEX

The Index includes companies engaged primarily in the production of semiconductors and semiconductor equipment. The Index includes US exchange-listed companies that derive at least 50% of their revenues from semiconductors. However, where the Index already holds such equity securities and the percentage of revenue generated falls, the Index will only seek to remove the security when the percentage of revenue generated from semiconductors drops below 25% of the relevant companies' revenues.

The Index considers ESG factors, as described below and further detailed in the Index methodology available on the Index Providers website. The Index Provider utilizes ESG data provided by Institutional Shareholder Services group of companies (ISS). ISS provides the Index Provider with high-quality data, analytics and insight, including country ESG research and ratings enabling the Index Provider to identify material social and environmental risks and opportunities. In particular, data standards used by the Index Provider are:

- (a) Data Input: MarketVector Indexes sources ESG data externally from ISS. Where data is not available, best efforts is made to model required data.
- (b) Verification and quality of data: The provider of ESG-related data input is selected by the Index Provider based on an assessment of its existing processes in order to ensure the reliability and representativeness of the ESG-related data. The data provider has established processes in accordance with accepted and established market standards that ensure the permanent quality and reliability of the ESG-data provided.
- (c) Reference standards: ISS Norm-Based Research framework consists of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights and is embedded in the Sustainable Development Goals.

The Index does not consider companies that violate certain ESG criteria included in the following categories (binding criteria):

- (a) Norm-based research:
  - (i) Thematic areas: Union Rights, Workplace Discrimination, Bribery, Child Labour, Environmental Protection, Fundamental Human Rights, Forced Labour, Labour Standards, Money Laundering. Companies with a Case Severity Indicator score of 'Very Severe' are not included in the portfolio. The 'Very Severe' value identifies instances where the company is reportedly causing/contributing to critical adverse impact.

The Case Severity Indicator is a measure of the reported risk or impact on society or the environment and takes into account the degree of corporate involvement. The values which refer to severity are indicated in the Norm-based Research Methodology, as:

- (A) Severe": identifies instances where the company is reportedly causing/contributing significant adverse impact.

- (B) “Moderate”: identifies instances where the company is causing/contributing to adverse impact or linked to significant/critical adverse impact.
- (C) “Potential”: identifies instances where the impact and/or corporate involvement have not been clearly determined.

When companies are identified as involved in Gender Discrimination, Racial Discrimination and are listed on the AFL-CIO Boycott List (identified by “T”), are also not included in the portfolio.

- (ii) The overall Norm-based research score (“NBSEOverallScore”), assigning a 1-10 rating score to an issuer based on the issuer’s link with any violations of international standards. The Index Provider excludes from the investable universe the companies which are assessed with a score of 9 or 10.
- (iii) The overall Norm-based research Severity Indicator score (“NBSEOverallSeverityScore”), which enables the inclusion in the portfolio of companies with a non “Very Severe” score.
- (b) Controversial weapons, which takes into consideration the involvement in: Anti-personnel Mines, Biological Weapons, Chemical Weapons, Cluster Munitions, Depleted Uranium, Incendiary Weapons, Nuclear Weapons Outside NPT, Nuclear Weapons Inside NPT and White Phosphorus Weapons. These factors assign an overall Red, Amber, or Green flag to an issuer based on the issuer’s involvement in the different categories of controversial weapons. Companies with a “Red” flag are excluded from the portfolio.
- (c) Civilian Firearms, which takes into consideration the involvement in: Ammunition, Assault Weapons, Automatic Firearms, High-Capacity Magazines, Any Tie and Repeating Firearms. When the Risk Flag, which indicates potential current or imminent involvement, is indicated as “Blank” or “Not Collected”, the company is included in the portfolio.
- (d) Sector and energy extractives exposure, with consideration of Tobacco, Gambling, Energy Extractives (Thermal Coal Mining, Fossil Fuel, Oil Sands and Nuclear Power) and Military Equipment and Services. Only companies that derive not more than 5% of their revenues from the mentioned activities, can be included in the portfolio.

A company is considered to be ESG compliant if it satisfies the ESG screening criteria set forth by the Index Provider. Furthermore, the companies that are not covered by ISS or for which all relevant data fields are not collected by ISS may be eligible for inclusion. In these cases, the Index Provider will review the impact and will act on a best-efforts basis to ensure data coverage by performing qualitative data research through the review of relevant publicly available information of the respective company.

The Index employs a 10% capping scheme to ensure diversification. If a component exceeds the maximum weight at the time of Index rebalancing, then the weight will be reduced to the maximum weight and the excess weight shall be redistributed proportionally across all other (uncapped) Index constituents. This process is repeated until no component weight exceeds the maximum weight.

Changes to the Index will be implemented and based on the closing prices of the third Friday of every quarter-end month (i.e., March, June, September and December). If the third Friday is not a business day, the review will take place on the last business day before the third Friday. If a company does not

trade on the third Friday of a quarter-end month, then the last available price for this company will be used. Changes become effective on the next business day.

The Index components are reviewed on a semi-annual basis in March and September so that the Index components continue to represent the universe of companies involved in the production of semiconductors and semiconductor equipment. Besides that the components are rebalanced on a quarterly basis in March, June, September and December. The target coverage of the Index is 25 companies.

- (a) The following steps will be followed and form the Index review procedure: The largest 50 stocks (by full market capitalisation) from the investable universe qualify for inclusion in the Index.
- (b) The 50 stocks which qualify for inclusion in the Index are ranked in two different ways - by free-float market capitalisation in descending order (the largest companies receives rank "1") and then by three-month average-daily-trading volume in descending order (the most liquid companies receives rank "1"). These two ranks are added up.
- (c) The 50 stocks are ranked now by their sum of the two ranks in step 2 in ascending order. If two companies have the same sum of ranks, then the larger company is placed on top.
  - (i) Initially, the highest ranked 25 companies made up the Index.
  - (ii) On-going, a 10-40 buffer is applied: The highest ranked 10 companies qualify. The remaining 15 companies are selected from the highest ranked remaining current index components ranked between 11 and 40. If the number of selected companies is still below 25, then the highest ranked remaining stocks are selected until 25 companies were selected.

For all corporate events that result in a stock deletion from the Index, the deleted stock will be replaced with the highest ranked non-component on the most recent selection list immediately only if the number of components in the Index would drop below 20. The replacement stock will be added at the same weight as the deleted stock. Only in case the number of components drops below its minimum due to a merger of two or more index components, the replacement stock will be added with its uncapped free-float market capitalisation weight. In all other cases, i.e. there is no replacement, the additional weight resulting from the deletion will be redistributed proportionally across all other index constituents.

## 5 INDEX PROVIDER

The Index is published by MarketVector Indexes™ GmbH (the **Index Provider**), an affiliated company of the Manager. The Index Provider has contracted with Solactive AG to maintain and calculate the Index. The Index Provider does not sponsor, endorse, or promote the Fund and bears no liability with respect to the Fund or any security. The Index Provider will notify the Fund of material errors in the Index via the Index Provider's website. The Index Provider is an authorised benchmark administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation.

In accordance with Central Bank requirements, the Company is required to provide details of the Index Provider's website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company has no responsibility for the Index Provider's website and is not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the



Index Provider's website or the contents thereof. Further information in relation to the Index may be found on the Index Provider's website, [www.marketvector.com](http://www.marketvector.com).

## 6 INVESTMENT RESTRICTIONS

The general investment restrictions as set out in the Prospectus shall apply. The Fund may not invest more than 10% of its Net Asset Value in open-ended collective investment schemes.

The Fund may not invest less than 51% of its Net Asset Value in equity securities which constitute "equity participation" within the meaning of section 2, Article 8 of the German Investment Tax Act (Investmentsteuergesetz). Equity participation in this context consists of shares in corporations traded or admitted for trading on a regulated market or multilateral trading facility (MTF) considered as such by the European Securities and Markets Authority (ESMA). The actual equity participation ratios of target investment funds can be taken into account.

There may be instances where the weighting of any constituent security of the Index could cause the Fund to breach the investment restrictions set out in the Prospectus. If such an event occurs, it is intended that the Fund will purchase other assets, the effect of which will seek to maintain, so far as is possible, the same economic exposure to and the same weighting of the security of that issuer in the Index without breaching its investment restrictions.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders.

## 7 BORROWING

The Fund may borrow money in an amount up to 10% of the market value of its net assets at any time for the account of any Fund and the Depositary may charge the assets of the Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes. The Fund may acquire currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of the Regulations provided that the offsetting deposit is denominated in the Base Currency of the Fund and equals or exceeds the value of the foreign currency loan outstanding.

## 8 RISK FACTORS

The general risk factors as set out in the section entitled **Risk Factors** in the Prospectus apply.

Investors in the Fund should be willing to accept a high degree of volatility in the price of the Fund's Shares and the possibility of significant losses. An investment in the Fund involves a substantial degree of risk. Therefore, you are advised to consider carefully the following risks before investing in the Fund.

An investment in the Fund may be subject to risks which include, among others, material transaction cost from rebalancing activity and fluctuations in the value of securities held by the Fund due to market and economic conditions or factors relating to specific issuers.

The value of investments and the income from them, and therefore the value of and income from the Shares can go down as well as up and an investor may not get back the amount invested. The Fund's exposure is based on the performance of the Index securities which, in turn, is exposed to general market movements (negative as well as positive).

Certain additional risks may also be associated with the Fund, including, without limitation:

## **8.1 Risk of Investing in the Semiconductor Industry**

The Fund will be sensitive to, and its performance may depend to a greater extent on, the overall condition of the semiconductor industry. Competitive pressures may have a significant effect on the financial condition of companies in the semiconductor industry. The Fund is subject to the risk that companies that are in the semiconductor industry may be similarly affected by particular economic or market events. As product cycles shorten and manufacturing capacity increases, these companies may become increasingly subject to aggressive pricing, which hampers profitability. Semiconductor companies are vulnerable to wide fluctuations in securities prices due to rapid product obsolescence. Many semiconductor companies may not successfully introduce new products, develop and maintain a loyal customer base or achieve general market acceptance for their products, and failure to do so could have a material adverse effect on their business, results of operations and financial condition. Reduced demand for end-user products, underutilisation of manufacturing capacity, and other factors could adversely impact the operating results of companies in the semiconductor industry. Semiconductor companies typically face high capital costs and such companies may need additional financing, which may be difficult to obtain. They also may be subject to risks relating to research and development costs and the availability and price of components. Moreover, they may be heavily dependent on intellectual property rights and may be adversely affected by loss or impairment of those rights. Some of the companies involved in the semiconductor industry are also engaged in other lines of business unrelated to the semiconductor business, and they may experience problems with these lines of business, which could adversely affect their operating results. The international operations of many semiconductor companies expose them to risks associated with instability and changes in economic and political conditions, foreign currency fluctuations, changes in foreign regulations, tariffs and trade disputes, competition from subsidised foreign competitors with lower production costs and other risks inherent to international business. The semiconductor industry is highly cyclical, which may cause the operating results of many semiconductor companies to vary significantly. Companies in the semiconductor industry also may be subject to competition from new market entrants. The stock prices of companies in the semiconductor industry have been and will likely continue to be extremely volatile compared to the overall market.

Certain companies in which the Fund may invest are non-U.S. issuers whose securities are listed on U.S. exchanges. These securities involve risks beyond those associated with investments in U.S. securities, including greater market volatility, higher transactional costs, the possibility that the liquidity of such securities could be impaired because of future political and/or economic developments, taxation by foreign governments, political instability, the possibility that foreign governmental restrictions may be adopted which might adversely affect such securities and that the selection of such securities may be more difficult because there may be less publicly available information concerning such non-U.S. issuers or the accounting, auditing and financial reporting standards, practices and requirements applicable to non-U.S. issuers may differ from those applicable to U.S. issuers.

## **8.2 Risk of Investing in the Information Technology Industry**

To the extent that the Index continues to be concentrated in the information technology sector, the Fund will be sensitive to changes in, and its performance may depend to a greater extent on, the overall condition of the information technology sector. Information technology companies face intense competition, both domestically and internationally, which may have an adverse effect on profit margins. Information technology companies may have limited product lines, markets, financial resources or personnel. The products of information technology companies may face product obsolescence due to rapid technological developments and frequent new product introduction, unpredictable changes in growth rates and competition for the services of qualified personnel. Companies in the information technology sector are heavily dependent on patent protection and the expiration of patents may adversely affect the profitability of these companies.

### **8.3 Concentration Risk**

The Fund's assets may be concentrated in a particular sector or sectors or industry or group of industries to the extent the Index concentrates in a particular sector or sectors or industry or group of industries. Accordingly, the Fund may be subject to the risk that economic, political or other conditions that have a negative effect on a particular industry or sector will negatively impact the Fund to a greater extent than if the Fund's assets were invested in a wider variety of sectors or industries. The Fund may be particularly vulnerable to this risk because the Index is comprised of securities of a very limited number of issuers. The Fund's assets may be concentrated in a small number of stocks and/or may be concentrated in particular sectors which may subject the Fund to more risk than investments in a diverse group of companies and sectors.

### **8.4 Risk of Investing in Small- and Medium-Capitalisation Companies**

The securities of small- and medium-capitalisation companies may be more volatile and less liquid than the securities of large companies. As securities of small- and medium-capitalisation companies may experience more market price volatility than securities of larger companies, the net asset value of any fund which invests in small- and medium-capitalisation companies (such as the Fund) may reflect this volatility. Small- and medium-capitalisation companies, when compared with larger companies, may have a shorter history of operations, fewer financial resources, less competitive strength, may have a less diversified product line, may be more susceptible to market pressure and may have a smaller market for their securities. Investment in small- and medium-capitalisation companies may involve comparatively higher investment costs and accordingly investment in the Fund should be viewed as a long term investment. The Fund may however dispose of an investment made by it within a relatively short period of time, for example, to meet requests for redemption of Shares.

### **8.5 Foreign Currency Risk**

In the event that the Fund's assets are invested in securities denominated in currencies other than the Base Currency, all or a portion of the proceeds received by the Fund from its investments and/or the revenues received from such underlying issuer will generally not be in the Base Currency. The Fund's exposure to foreign currencies and changes in the value of foreign currencies versus the Base Currency may result in reduced returns for the Fund. Moreover, the Fund may incur costs in connection with conversions between the Base Currency and foreign currencies. The value of an emerging market country's currency may be subject to a high degree of fluctuation. This fluctuation may be due to changes in interest rates, investors' expectations concerning inflation and interest rates, the emerging market country's debt levels and trade deficit, the effects of monetary policies issued by foreign governments, central banks or supranational entities, the imposition of currency controls or other national or global political or economic developments. The economies of certain emerging market countries can be significantly affected by currency devaluations. Certain emerging market countries may also have managed currencies which are maintained at artificial levels relative to the Base Currency rather than at levels determined by the market. This type of system could lead to sudden and large adjustments in the currency, which in turn, can have a negative effect on the Fund and its investments.

### **8.6 Risk of Issuer-Specific Changes**

The value of individual securities or particular types of securities in the Fund's portfolio can be more volatile than the market as a whole and can perform differently from the value of the market as a whole, which may have a greater impact if the Fund's portfolio is concentrated in a country, group of countries, region, market or asset class. The value of securities of smaller issuers can be more volatile than that of larger issuers. A change in the financial condition, market perception or the credit rating of an issuer of securities included in the Index may cause the value of its securities to decline.

## **8.7 Equity Securities Risk**

The value of the equity securities held by the Fund may fall due to general market and economic conditions, perceptions regarding the markets in which the issuers of securities held by the Fund participate, or factors relating to specific issuers in which the Fund invests. For example, an adverse event, such as an unfavourable earnings report, may result in a decline in the value of equity securities of an issuer held by the Fund; the price of the equity securities of an issuer may be particularly sensitive to general movements in the securities markets; or a drop in the securities markets may depress the price of most or all of the equities securities held by the Fund. Equity securities are subordinated to preferred securities and debt in a company's capital structure with respect to priority in right to a share of corporate income, and therefore will be subject to greater dividend risk than preferred securities or debt instruments. In addition, while broad market measures of equity securities have historically generated higher average returns than fixed income securities, equity securities have also experienced significantly more volatility in those returns. A change in the financial condition, market perception or the credit rating of an issuer of securities included in the Fund's index may cause the value of its securities to decline.

## **8.8 Special Risk Considerations of Investing in Asian Issuers**

Investments in securities of Asian issuers involve risks and special considerations not typically associated with investment in the securities markets of developed countries. Certain Asian economies have experienced over-extension of credit, currency devaluations and restrictions, high unemployment, high inflation, decreased exports and economic recessions. Economic events in any one Asian country can have a significant effect on the entire Asian region as well as on major trading partners outside Asia, and any adverse effect on some or all of the Asian countries and regions in which the Fund invests. The securities markets in some Asian economies are relatively underdeveloped and may subject the Fund to higher action costs or greater uncertainty than investments in more developed securities markets. Such risks may adversely affect the value of the Fund's investments.

## **8.9 Risk of Investing in Emerging Market Issuers**

Investments in emerging market countries involve certain considerations not usually associated with investing in securities of developed countries or of companies located in developed countries. Funds that invest in companies located in emerging market countries or companies deriving all or parts of their revenue from emerging market countries are subject to special risks associated with investment in an emerging market including: securities markets are generally less liquid and less efficient; securities markets may be less well regulated resulting in potential for significant price volatility; currency fluctuations and exchange control; imposition of restrictions on the repatriation of funds or other assets; reduced availability of publicly available information concerning issuers; the imposition of taxes including potential for retroactive taxes to be imposed; higher transaction and custody costs; settlement delays and risk of loss; less liquidity and smaller market capitalisations; difficulties in enforcing contracts; governmental interference; higher inflation; social, economic and political uncertainties; different accounting, auditing and financial reporting standards or of other regulatory practices and requirements comparable to developed markets; lack of uniform disclosure standards; potential for expropriation or nationalisation; custodial and/or settlement systems may not be fully developed whereby the Fund may encounter delays in settlement and may not be able to recover or may encounter delays in the recovery of some of its assets or which may expose a Fund to sub-custodial risk; and the risk of war. An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors. As a result of the above risks, the Fund's investments can be adversely affected and the value of your investments may go up or down.

## **9 DIVIDEND POLICY**

It is not proposed that the Directors will declare a dividend in respect of the Fund. Full details of any change to the Fund's dividend policy will be provided in an updated Supplement and all Shareholders will be notified in advance.

## 10 Key Information for Purchasing and Selling

|                         |   |
|-------------------------|---|
| <b>Base Currency</b>    | US Dollar (USD)   |
| <b>Business Day</b>     | means every day other than a Saturday or Sunday (or such other day(s) as the Directors may from time to time determine and notify in advance to Shareholders).  |
| <b>Dealing Day</b>      | In general, each Business Day will be a Dealing Day. However, certain Business Days will not be Dealing Days where, in the sole determination of the Manager: (i) markets on which the Fund's investments are listed or traded, or markets relevant to the Index are closed, and/or (ii) there is a public holiday in the jurisdiction in which the Manager or its delegate(s), if applicable, is or are based; provided there is at least one Dealing Day per fortnight. The Dealing Days for the Fund are available at <a href="http://www.vaneck.com">www.vaneck.com</a> . |
| <b>Dealing Deadline</b> | 4:00 p.m. (Irish time) on the relevant Dealing Day.   |
| <b>Settlement Date</b>  | In the case of subscription(s), within 2 Business Days of the relevant Dealing Day.<br><br>In the case of repurchases, within 3 Business Days of the relevant Dealing Day.  |
| <b>Valuation Point</b>  | 11:00 p.m. (Irish time) on the relevant Dealing Day.  |
| <b>Website</b>          | Information on portfolio composition and details of intra-day portfolio value (iNAV) are set out on the website - <a href="http://www.vaneck.com">www.vaneck.com</a>  |

### Description of the Shares

|                             |   |
|-----------------------------|---|
| <b>Share Class</b>          | A   |
| <b>ISIN</b>                 | IE00BMC38736  |
| <b>Initial Offer Period</b> | The Initial Offer Period shall commence at 9:00 a.m. (Irish time) 5 October 2020 and close at 5.00 p.m. (Irish time) on 4 March 2021 as may be shortened or extended by the Directors and notified to the Central Bank. |
| <b>Initial Price</b>        | Approximately USD 20, plus an appropriate provision for Duties and Charges, or such other amount as determined by the Manager and communicated to investors prior to investment.  |

|                                     |   |
|-------------------------------------|---|
| <b>Creation Unit</b>                | 50,000 Shares or such other amount as may be determined by the Directors at their discretion.   |
| <b>Minimum Initial Subscription</b> | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Initial Subscription. |
| <b>Minimum Holding</b>              | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Holding.              |

## 11 CHARGES AND EXPENSES

The following fees and expenses will be incurred by the Company on behalf of the Fund and will affect the Net Asset Value of the relevant Class of Share of the Fund:

|                    |   |
|--------------------|---|
| <b>Share Class</b> | A   |
| <b>Total Fee</b>   | Up to 0.35% per annum or such lower amount as may be advised to Shareholders from time to time. |

The Total Fee, a percentage of the Net Asset Value of the relevant Class of Shares (plus VAT, if any), is payable by the Company out of the Fund Assets to the Manager. The Total Fee will accrue on each day and will be calculated on each Dealing Day and paid monthly in arrears. The Total Fee will cover all of the ordinary fees, operating costs and expenses payable by the Fund including fees and expenses paid to the Manager, all ordinary costs and expenses connected with the management and operating activities of the Fund, including investment management and advisory fees, Director's fees, registration, transfer agency, administration and custody fees, registrar fees, regulators and auditors and certain legal expenses of the Company. The Total Fee does not include extraordinary costs and expenses (including but not limited to transaction charges, stamp duty or other taxes on the investments of the Company including duty charges for portfolio re-balancing, withholding taxes, commissions and brokerage fees incurred with respect to the Company's investments, interest on any non-overdraft credit facility and charges incurred in negotiating, effecting or varying the terms of such facility, any commissions charged by intermediaries in relation to an investment in the Fund and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the Company all of which will be paid separately out of the assets of the Fund). The cost of establishing the Fund will be borne by the Manager.

This section entitled **Charges and Expenses** should be read in conjunction with the sections entitled **General Charges and Expenses** and **Management Charges and Expenses** in the Prospectus.

## 12 REGISTRATION FOR PUBLIC DISTRIBUTION AND LISTING

Application is expected to be made to register the Fund for public distribution in various countries.

Application will be made to list the Shares on Euronext Dublin and other stock exchanges. Through the operation of such a secondary market, persons who are not Authorised Participants or not able or willing to subscribe for and redeem Creation Units will be able to buy Shares from or sell Shares to other retail investors or market makers, broker/dealers, or other Authorised Participants at prices which should approximate, after currency conversion, the Net Asset Value of the Shares.

## 13 HOW TO BUY AND SELL SHARES

Investors can buy and sell Shares on the secondary market as described above in accordance with the procedures set out in the section entitled **Secondary Market** in the Prospectus.

Investors can otherwise subscribe for or redeem Creation Units in accordance with the procedures set out in the Prospectus.

## 14 SUSTAINABLE FINANCE DISCLOSURE

The Manager has categorised the Fund as meeting the provisions set out in Article 8 of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector ("SFDR") for products which promote environmental and/or social characteristics and invest in companies that follow good governance practices, as further described in Annex I of this Supplement. The Fund does not have sustainable investment as its investment objective.

### 14.1 E&S Characteristics

The following environmental and social characteristics apply to the Fund's investments:

- (a) The Fund promotes the reduction of the most negative impacts on society and the environment through:

- Reducing exposure to Very Severe controversies relating to international standards on responsible business, human rights and labour rights.

- Avoiding exposure to companies involved in Controversial Weapons and Civilian Firearms, .

- Limiting exposure to carbon risk and specific business activities by excluding companies deriving significant (>5%) revenues from energy extractives, such as thermal coal, and Tobacco, Gambling and Military Equipment and Services.

- (b) The Glass Lewis ESG policy guidelines is applied whereby votes are cast on sustainability matters.

A reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by the Fund.

Compared to a non-ESG fund with similar exposure, this Fund applies mandatory Environmental and Social factors and limits. These are corresponding to the Principle Adverse Impacts specified in the Annex.

### 14.2 Sustainability Risks

Sustainability risk is the risk that the value of an investment will decline as a result of an environmental, social or governance (ESG) event or circumstance. Ecological events include climate change, scarcity of natural resources and pollution. Social events may include labor issues and product liability. Governance can include themes such as shareholder rights, business ethics, diversity and executive remuneration. Sustainability risks can arise in all kinds of forms. With regard to the theme of climate, for example, there is a distinction between transition risks and physical risks, whereby transition risks can be divided into legal and regulatory risks, technological risks, market risks and reputation risks. In addition, the impact of sustainability risk has various scopes, including company-specific, sector-

specific and on country level. The occurrence of a sustainability risk results in other (financial) risks manifesting. This can negatively affect the value of the investment.

Concrete examples of sustainability risks for the Fund are a company has an overly generous remuneration policy or a remuneration policy that is inconsistent with the interests of the shareholders. Also, a company's reputation can deteriorate as a result of negative publicity about an environmental or labor issue that can cause the value of its stock to decline. The expected impact of sustainability risks on the return depends on the type of sustainability risk that materializes. For developed markets equity portfolios, this expected impact is generally viewed as significant.

### **14.3 Sustainability Risk Integration Features**

The Fund has a passive investment policy whereby the Fund aims to follow the Index as closely as possible. In the composition of the index, account is taken of sustainability risks. The Manager applies the following measures to integrate sustainability risks for this Fund:

#### **Exclusions**

Exclusions apply to this Fund as further outlined in section 2.2 of this Supplement and section 10 of the Prospectus.

#### **Voting**

The Manager can exercise his voting rights at shareholders' meetings, according to the Proxy Voting Policy. To assist in its responsibility for voting proxies and the overall voting process, the Manager has engaged an independent third-party proxy voting specialist, Glass Lewis Europe Limited, which takes also Environmental, Social and Governance factors into account when casting votes.

In particular, the Glass Lewis ESG voting policy is applied:

- (a) On the Environmental side, within others, measures in favor of increased disclosure of a company's environmental risk through company-specific disclosure as well as compliance with international environmental conventions and adherence to environmental principles will be supported. Similarly, the ESG Policy will support proposals requesting companies develop greenhouse gas emissions reduction goals, comprehensive recycling. The ESG Policy will evaluate a company's impact on the environment, in addition to the regulatory risk a company may face by not adopting environmentally responsible policies. Further, the ESG Policy will consider voting against directors for not appropriately overseeing environmental risk.
- (b) On the Social side, the ESG Policy will support several proposals, including but not limited to requesting that a company develop sustainable business practices, such as animal welfare policies, human rights policies, and fair lending policies. Furthermore, the ESG Policy will also generally support enhancing the rights of workers, as well as considering the communities and broader constituents in the areas in which companies do business.
- (c) On the Governance side, the ESG Policy supports, within other aspects, increased shareholder participation and access to a company and its board of directors. Accordingly, the ESG Policy will vote in favour of initiatives that seek to enhance shareholder rights, such as the introduction of majority voting to elect directors, the adoption and amendment of proxy access bylaws, the elimination/reduction of supermajority provisions, the declassification of the board, the submission of



shareholder rights' plans to a shareholder vote, and the principle of one share, one vote.

## **Engagement**

The Manager appointed a third-party engagement specialist, Glass Lewis Europe Limited, for the passive equity funds managed by VanEck Asset Management B.V. The engagement provider determines the engagement approach in accordance with its engagement policy and based on its engagements' priorities.

## **15 OTHER INFORMATION**

New Funds may be created from time to time by the Directors with the prior approval of the Central Bank in which case further Supplements incorporating provisions relating to those Funds will be issued by the Company.

The names of the Funds currently approved by the Central Bank are listed in the Global Addendum.

## **SCHEDULE 1**

### **DISCLAIMER**

The Index is the exclusive property of MarketVector Indexes™ GmbH (MarketVector), a wholly owned subsidiary of the Manager, which has contracted with Solactive AG to maintain and calculate the Index. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards MarketVector, Solactive AG has no obligation to point out errors in the Index to third parties. The Fund is not sponsored, endorsed, sold or promoted by MarketVector and MarketVector makes no representation regarding the advisability of investing in the Fund. The Index is calculated weekdays between 01:00 and 22:40 (CET) and the Index values are disseminated to data vendors every 15 seconds on days when the US equity market is open for trading. The Index is disseminated in USD.

In accordance with Central Bank requirements, the Company and the Fund are required to provide details of the Index Provider's website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company and the Funds have no responsibility for the Index Provider's website and are not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof.

The indicative optimised portfolio value/intra-day portfolio value is calculated by S&P Global Ltd.

## ANNEX I

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:** VanEck Semiconductor UCITS ETF  
**Legal entity identifier:** 2549005YADH8Q7K3ON79

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

| Does this financial product have a sustainable investment objective?  |  |
|---|--|
| <input checked="" type="radio"/> <input checked="" type="radio"/> <input type="radio"/> <b>Yes</b>  | <input checked="" type="radio"/> <input type="radio"/> <input checked="" type="radio"/> <b>No</b>  |
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ____%<br><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy<br><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy<br><input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ____% | <input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments<br><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy<br><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy<br><input type="checkbox"/> with a social objective<br><input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b> |



### What environmental and/or social characteristics are promoted by this financial product?

The following environmental and social characteristics apply to the Fund's investments:

- The Fund promotes the reduction of the most negative impacts on society and the environment through:
  - Reducing exposure to Very Severe controversies relating to international standards on responsible business, human rights and labour rights.
  - Avoiding exposure to companies involved in Controversial Weapons and Civilian Firearms.
  - Limiting exposure to carbon risk and specific business activities by excluding companies deriving significant (>5%) revenues from energy extractives, such as thermal coal, and Tobacco, Gambling and Military Equipment and Services.
- The Glass Lewis ESG policy guidelines is applied whereby votes are cast on sustainability matters.

A reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by the financial product.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

Compared to a non-ESG fund with similar exposure, this Fund applies mandatory Environmental and Social factors and limits. These are corresponding to the Principle Adverse Impacts specified below.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The Fund measures the following sustainability indicators:

| Indicator   |
|---|
| The percentage of portfolio involved in violations of UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights. |
| The percentage of portfolio involved in the fossil fuels industry.  |
| The percentage of portfolio involved in non-renewable energy production.  |

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

This question and the related questions below are not applicable as the Fund does not intend to make sustainable investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Not applicable.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Not applicable.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

## Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, the Fund considers principal adverse impacts on sustainability factors.

☐ No

The Fund considers the following principal adverse impacts on sustainability factors:

1. Greenhouse Gas (GHG Emissions):
  - Part of Norm-based research on environmental protection "Failure to mitigate climate change impacts"
  - Fossil Fuel/Coal exclusions - Total Maximum Percentage of Revenues is 5%: This factor provides the maximum percentage of recent-year revenues for issuer's total involvement in coal/fossil fuel, including any exposure in Production, Exploration, Distribution, and Services.
2. Biodiversity
  - Part of Norm-based research on environmental protection "Failure to prevent depletion of biodiversity" and "Failure to prevent deforestation / illegal logging"
3. Water
  - Part of Norm-based research on environmental protection "Failure to prevent depletion of biodiversity", "Failure to prevent water pollution" and "Failure to prevent oil spill"
4. Waste
  - Part of Norm-based research on environmental protection "Poor waste management", "Poor nuclear safety", "Failure to prevent pollution" and "Failure to mitigate the production / distribution of hazardous substances"
5. Social and employee, respect for human rights, anti-corruption and anti-bribery matters
  - ISS norm-based screening covers controversial practices that have adverse impacts on society and the environment in line with established expectations for Responsible Business Conduct as set forth in the core normative framework consisting of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights, all of which are embedded in the Sustainable Development Goals.
  - Part of Norm-based research on Human Rights, including "Failure to conduct human rights due diligence" and "Failure to provide equal pay for work of equal value"
  - Controversial weapons screenings are performed whereby companies with a RED exposure score in anti-personnel mines, biological and chemical weapons, cluster munitions, depleted uranium, incendiary weapons, white phosphorus and nuclear weapons are excluded from the index.



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

Companies for which there is no data or not all relevant data fields are collected by the ESG provider can be eligible for inclusion.

Additionally, principal adverse impacts are considered as part of the Glass Lewis ESG tilted voting policy, whereby casted votes regard the environment, energy efficiency, the use of renewable energy sources, enhancing the rights of workers, violation of international human rights standards, gender pay inequity and board diversity.

A description on how the Fund has considered Principal Adverse Impacts on sustainability factors in the preceding year is included in the Fund's annual report.

## What investment strategy does this financial product follow?

The Fund's investment objective is to replicate, before fees and expenses, the price and yield performance of the MVIS® US Listed Semiconductor 10% Capped ESG Index. The Fund seeks to invest in US-listed companies generating at least 50% of their revenues from semiconductors. The underlying Index contains only companies that are engaged primarily in the production of

performed in the selection of companies included in the Index. In addition, the Glass Lewis ESG-tilted voting policy is applied, whereby casted votes in shareholder meetings of companies in the portfolio concern sustainability matters.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Fund's investments must comply with the following binding elements:

1. Exclusion of companies with a very severe controversy rating relating to Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights, based on Norm-based research;
2. Exclusion of companies which are involved in the production or critical component supply for Controversial Weapons.
3. Exclusion of companies which are involved in the production, distribution and services of Civilian Firearms.
4. Exclusion of companies which derive 5% or more revenues from Tobacco, Gambling, Energy Extractives (Thermal Coal, Fossil Fuels, Oil Sands, Nuclear Power), and Military Equipment and Services.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Fund does not commit to a minimum rate to reduce the scope of investments prior to the application of the investment strategy.

● ***What is the policy to assess good governance practices of the investee companies?***

Good governance relates to sound management structures, employee relations, remuneration of staff and tax compliance. The Fund excludes companies when ISS rating shows the verifiably violated or imminent to violate the OECD Guidelines for multinational enterprises and the UN Guiding Principles on Business and Human Rights.

Assessment is performed at any rebalancing of the underlying Index, excluding companies with a score of 9 or 10, according to the Norm-based research overall score approach, equivalent to verified or imminent failure to respect established norms.

In addition, the Fund also excludes companies with a very severe controversy rating. The rating takes into account, among others, Accounting Fraud, Anti-competitive Behaviour, Bribery, Money Laundering, Failure to manage cybersecurity, Failure to pay fair share of taxes, Poor stakeholder consultation, Workplace discrimination, Labour Rights Violations, Working Conditions as well as Supply-Chain standards.



**Asset allocation** describes the share of investments in specific assets.

**What is the asset allocation planned for this financial product?**

The Fund invests in direct financial instruments of which 100% is aligned with the the environmental and social characteristics that it promotes.

● ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

The Fund does not invest in derivatives. Therefore, this question is not applicable.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the Fund promotes environmental and social characteristics within the meaning of Article 8 of the SFDR, it does not currently commit to investing in any “sustainable investments” within the meaning of the SFDR. It should be noted that the investments underlying this Fund do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation and, as such, the Fund’s portfolio alignment with such Taxonomy Regulation is not calculated. It follows that the minimum extent of sustainable investments with an aligned environmental objective aligned with the Taxonomy Regulation is currently 0%.

The “do no significant harm” principle applies only to those investments underlying the Fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

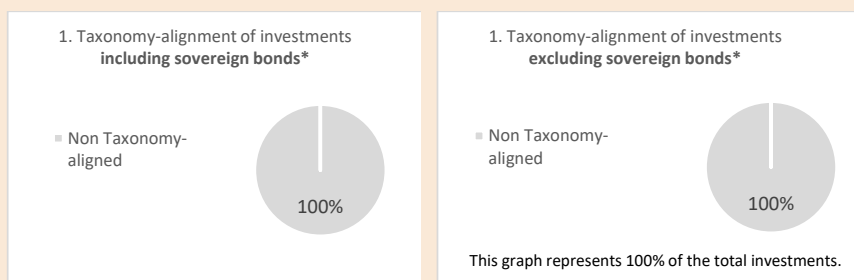
### Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?

☐ Yes:

☐ In fossil gas In ☐ nuclear energy


☒ No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

● **What is the minimum share of investments in transitional and enabling activities?**

The minimum share of investments in transitional and enabling activities is 0%.



● **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The minimum share of non-aligned environmental sustainable investments is 0%.



● **What is the minimum share of socially sustainable investments?**

The minimum share of socially sustainable investments 0%.



● **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Not applicable, all investments are aligned with the environmental and social characteristics.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

● **Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

As a passive investment’s strategy, the Fund has designated the MVIS® US Listed Semiconductor 10% Capped ESG Index as reference benchmark to meet the environmental and social characteristics that it promotes.

● **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Sustainability factors are considered as part of screenings that are included in the reference benchmark and assessed at any rebalancing of the underlying Index. By means of Norm-based research and Controversial sector involvement screenings, the Fund takes sustainability factors relating to greenhouse gas emissions, biodiversity, water, waste, social and employee, respect for human rights, anti-corruption and anti-bribery matters into account.

For detailed information, please refer to the question “Does this financial product consider principal adverse impacts on sustainability factors?”.

● **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

In order to seek to achieve its investment objective, the investment policy of the Fund is to use a replication strategy by investing directly in the underlying equity securities that consists of the component securities of the Index. The Fund is passively managed.

The Fund’s Manager, in order to ensure the alignment with the ESG characteristics that it promotes, monitors that the holdings are screened against the underlying Index’s exclusion by means of:

- Replication by the Portfolio Management Team of the Index based on the Index rules. Those also contain the requirements related to Norm-based research and Controversial sector involvement screenings (tobacco, fossil fuels, thermal coal mining, gambling, oil sands, civilian firearms, military equipment and services, and nuclear power), as coded in the Bloomberg Compliance Manager system. The Index components are periodically rebalanced by the Index provider.

Reporting of any breaches of the Index rules by the Legal and Compliance Team, in line with VanEck’s policies and procedures, which are established to assess the alignment



- of the funds' investments with the Index and to undertake recovery measures where necessary.
- Periodic confirmation on ESG integration by the Index provider as part of the regular due diligence.
- Establishment of an ESG Committee which periodically reviews the compliance of the Fund's characteristics with the current regulation and which goal is to establish, maintain and further develop and monitor ESG strategies offered by VanEck. The ESG Committee is composed by the managing directors and at least one member of each department.
- Appointment of a proxy voting specialist - Glass Lewis Europe Limited - to exercise voting rights for all equity funds also on ESG factors. VanEck is periodically informed by the service provider on the voting activities.
- Appointment of a third-party engagement specialist - Glass Lewis Europe Limited - for the passive equity funds managed by VanEck Asset Management B.V. The engagement provider determines the engagement approach in accordance with its engagement policy and based on its engagements' priorities.

● ***How does the designated index differ from a relevant broad market index?***

The Index differs from a generic broad market index in following ways:

- Thematic investment approach: companies that generate at least 50% of their revenues from semiconductors and are engaged primarily in the production of semiconductors and semiconductor equipment;
- ESG screenings: companies with very severe norms violations, the ones that are involved in civilian firearms, controversial weapons or that exceed certain thresholds of revenue exposure to various sectors (tobacco, energy extractives, gambling and military equipment and services), are not eligible for inclusion.

● ***Where can the methodology used for the calculation of the designated index be found?***

Information on the methodology can be found on the index provider's website:

[https://www.mvis-indices.com/rulebooks/download/mv\\_equity\\_guide.pdf](https://www.mvis-indices.com/rulebooks/download/mv_equity_guide.pdf)



**Where can I find more product specific information online?**

More product-specific information can be found on the website:

<https://www.vaneck.com/ie/en/smh>.

**VANECK UCITS ETFs plc**

**Supplement dated 20 December 2024**

**for**

**VanEck Hydrogen Economy UCITS ETF**

This Supplement contains specific information in relation to the **VanEck Hydrogen Economy UCITS ETF** (the **Fund**), a sub-fund of **VanEck UCITS ETFs plc** (the **Company**), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank pursuant to the Regulations.

**This Supplement forms part of, may not be distributed unless accompanied by (other than to prior recipients of the Prospectus of the Company dated 20 December 2024, as may be amended, supplemented or modified from time to time), and should be read in conjunction with the Prospectus for the Company.**

THIS DOCUMENT IS IMPORTANT. YOU SHOULD NOT PURCHASE SHARES IN THE FUND DESCRIBED IN THIS SUPPLEMENT UNLESS YOU HAVE ENSURED THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT AND THE RISKS INVOLVED AND ARE SATISFIED THAT THE INVESTMENT IS SUITED TO YOUR CIRCUMSTANCES AND OBJECTIVES, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU ARE RECOMMENDED TO TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR.

The Directors of the Company whose names appear in the section entitled **Directors of the Company** in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

**Shares purchased on the secondary market cannot usually be sold directly back to the Fund. Investors must buy and sell Shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value when buying Shares and may receive less than the current Net Asset Value per Share when selling them.**

**An investment in the Fund, whose securities comprise holdings in emerging markets, should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors.**

Certain risks attached to investments in the Fund are set out in the Prospectus in the section entitled **Risk Factors**.

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## **1 IMPORTANT INFORMATION**

### **Profile of a typical investor**

A typical investor is expected to be an informed investor who is able to bear capital and income risk, and should view investment in the Fund as a medium to long term investment. A typical investor is expected to be an investor who wishes to take exposure to the markets covered by the Fund's investment policy and is prepared to accept the risks associated with an investment of this type, including the volatility of such market.

### **General**

This Supplement sets out information in relation to the Shares and the Fund. You must also refer to the Prospectus which is separate to this document and describes the Company and provides general information about offers of shares in the Company. You should not take any action in respect of the Shares unless you have received a copy of the Prospectus. Should there be any inconsistency between the contents of the Prospectus and this Supplement, the contents of this Supplement will, to the extent of any such inconsistency, prevail. This Supplement and the Prospectus should both be carefully read in their entirety before any investment decision with respect to Shares is made.

The Shares of the Fund have been admitted to listing on the Official List and trading on the Regulated Market of Euronext Dublin. This Supplement together with the Prospectus includes all information required to be disclosed by Euronext Dublin listing requirements and comprise listing particulars for the purpose of listing the Shares of the Fund on Euronext Dublin.

Neither the admission of Shares of the Fund to listing on the Official List and to trading on the Regulated Market of Euronext Dublin nor the approval of the listing particulars pursuant to the listing requirements of Euronext Dublin shall constitute a warranty or representation by Euronext Dublin as to the competence of service providers to or any other party connected with the Fund, the adequacy of information contained in the listing particulars or the suitability of the Fund for investment purposes.

As of the date of this Supplement, the Company does not have any loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

### **Suitability of Investment**

You are advised to inform yourself as to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Shares.

The Shares are not principal protected. The value of the Shares may go up or down and you may not get back the amount you have invested. See the section entitled Risk Factors of the Prospectus and the section entitled Risk Factors of this Supplement for a discussion of certain risks that should be considered by you.

An investment in the Shares is only suitable for you if you are a sophisticated investor and (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

## **Distribution of this Supplement and Selling Restrictions**

Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus and is not authorised in any jurisdiction after publication of the audited annual report of the Company unless a copy of the then latest annual report and, if distributed after the semi-annual report has been produced, a copy of the then latest published semi-annual report and unaudited accounts is made available in conjunction with the Prospectus and this Supplement. The distribution of this Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. If you receive a copy of this Supplement and/or the Prospectus you may not treat such document(s) as constituting an offer, invitation or solicitation to you to subscribe for any Shares unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without compliance with any registration or other legal requirement other than those with which the Company has already complied. If you wish to apply for the opportunity to purchase any Shares it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile.

## **2 INVESTMENT OBJECTIVE AND POLICIES**

### **2.1 Investment Objective**

The Fund's investment objective is to replicate, before fees and expenses, the MVIS® Global Hydrogen Economy ESG Index (the **Index**). For a further description of the Index see the section entitled **Information on the Index** below.

### **2.2 Investment Policy**

In order to seek to achieve its investment objective, the Manager will normally use a replication strategy by investing directly in the underlying equity securities of the Index being the stock, American depository receipts (**ADRs**), and global depository receipts (**GDRs**). Such equity securities must be issued by companies who generate at least 50% of their revenues from the global hydrogen segment, fuel cell companies or industrial gases companies listed or traded on the Markets referred to in Appendix II of the Prospectus. For the avoidance of doubt, where the Index already holds such equity securities, the Index will seek to remove the security when the percentage of revenue generated from the global hydrogen segment, fuel cell companies or industrial gases drops below 25% of the relevant companies revenues.

The Fund may not invest in companies that violate certain ESG criteria including companies which (i) have committed very severe norms violations, (ii) have greater than 0% revenue exposure to controversial weapons, or (ii) exceed certain thresholds of revenue exposure to various sectors including but not limited to tobacco, gambling, military equipment and services and energy extractives. Information on the thresholds of revenue and the full list of sectors is contained in the Index methodology guide which is available on the Index Provider's website.

The Fund will seek the prior approval of the Central Bank should the Fund seek to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. In exceptional market circumstances, such as, but not limited to, a material price movement impacting the weighting of an underlying equity security

of the Index or disruptive market conditions or extremely volatile markets, an underlying equity security of the Index which is held by the Fund may exceed the regulatory limits intra rebalancing dates which would result in the Fund seeking to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. Where it is not practical or cost efficient for the Fund to fully replicate the Index, the Manager may utilise an optimised sampling methodology and further detail in respect of this approach is set out in the section entitled Investment Approach below.

The Fund may invest up to 15% of its Net Asset Value directly in shares issued by companies listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, traded in foreign currencies and available for investment by domestic (Chinese) investors and foreign investors. For the avoidance of doubt, the Fund may invest in China H shares. China H shares are issued by issuers which are incorporated in China and trade on the Hong Kong stock exchange. The Fund may invest more than 20% of its Net Asset Value in emerging markets.

**The Fund may also (or alternatively) invest in financial derivative instruments (FDIs) which relate to the Index or constituents of the Index.** The FDIs which the Fund may use are futures, options (puts and calls), swaps (including equity swaps and swaps on the Index), currency forwards and non-deliverable forwards (a forward contract that does not require settlement on maturity) (**NDFs**). Futures and options may be used in order to equitise (use) cash balances pending investment of subscription proceeds or other cash balances held by the Fund to seek to reduce tracking error. Currency forwards and NDFs may be used to hedge currency exposures. The Fund may use FDIs as an alternative to direct investment in the constituents of the Index in order to avail of the related cost or liquidity advantages of FDIs which may, in certain circumstances, be available over the direct investment in the constituents of the Index. The Fund may also use American depository receipts (**ADRs**), global depository receipts (**GDRs**) or participation notes (**P Notes**) (which provide exposure to the Saudi Arabian or Indian market), to gain exposure to equity securities instead of using physical securities in circumstances where, due to local restrictions or quota limitations, it is not possible to hold these directly or where it is otherwise advantageous to the Fund to do so.

The Fund may also invest in ancillary liquid assets and money market instruments which may include bank deposits, depository receipts, certificates of deposit, fixed or floating rate instruments (treasury bills), commercial paper, floating rate notes and freely transferable promissory notes. The ancillary liquid assets, money market instruments and FDI (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus. Investment in ancillary liquid assets and money market instruments may be utilised in a variety of circumstances, including but not limited to, situations such as managing total exposure to cash and borrowing on a short term basis and in anticipation of participation in a rights offering.

## **2.3 Efficient Portfolio Management**

Investors should note that the Fund may invest in FDIs for efficient portfolio management or hedging purposes only. The Fund may use futures, swaps and currency forwards for the purpose of reducing risk associated with currency exposures within the Fund. This may on occasions lead to an increase in risk profile of the Fund or result in a fluctuation in the expected level of volatility. Please see the section entitled **Risk Factors** in the Prospectus in relation to such risks.

The Fund will employ the commitment approach to assess the Fund's global exposure and to ensure that the Fund's use of derivative instruments is within the limits specified by the Central Bank. Global exposure will be calculated daily. While the Fund may be leveraged through the use of the FDIs, any such leverage will not exceed 100% of the Fund's Net Asset Value.

Investment in FDIs is subject to the conditions and limits contained in the CBI UCITS Regulations. Subject to these limits, the Fund may invest in FDIs dealt on any of the regulated markets set out in the

list of Markets in Appendix II to the Prospectus (and/or over the counter FDIs (**OTCs**)) which will be used for investment, efficient portfolio management and/or for hedging purposes.

The Company employs a risk management process which enables it to accurately measure, monitor and manage at any time the various risks associated with FDIs and their contribution to the overall risk profile of the portfolio of assets of the Fund. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments. The Fund will only invest in FDIs in accordance with the risk management policy prepared and submitted to the Central Bank in accordance with the Central Bank requirements.

The Fund may invest in FDIs dealt OTC provided that the counterparties to OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

Position exposure to the underlying assets of FDIs, or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the CBI UCITS Regulations.

In addition, the Fund may enter into stocklending, repurchase and reverse repurchase agreements for efficient portfolio management purposes only subject to the conditions and the limits set out in the CBI UCITS Regulations. Investors are referred to the section entitled **Use of Financial Derivative Instruments and Efficient Portfolio Management** in the Prospectus.

## 2.4 Securities Financing Transactions

While the Company may enter into securities financing transactions and repurchase agreements (**SFTs**) (as defined under Article 3 (11) of Regulation (EU) 2015/2365) (the **SFTR**), it is not anticipated that the Fund will enter into any SFTs. However, in the event that the Fund contemplates entering into such transactions, investors will be provided with further details of the structure and use of such transactions, together with any other information required to be disclosed to investors in accordance with Articles 13 and 14 of the SFTR. The Supplement will be updated accordingly in the event that the Fund will enter into any SFTs.

## 3 INVESTMENT APPROACH

In order to seek to achieve its investment objective, the investment policy of the Fund is to use a replication strategy by investing directly in the underlying equity securities that consists of the component securities of the Index. The Fund will be 'passively' managed.

Where full replication is not possible, the Fund will invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities that generally replicate the Index. However, under various circumstances, it may not be practicable and possible to invest in such equity securities in proportion to their weightings in the Index. It is not expected that the Fund would invest in securities outside the Index under normal circumstances. In extraordinary circumstances the Fund may use such other techniques including, but not limited to, representative or "optimised" sampling to gain access to stocks which provide economic characteristics similar to the security in the Index. There also may be instances, for example if one or more securities are suspended from trading or in situations where the Fund is forced to liquidate particular securities, in which the Manager may choose to overweight a security in the Index, purchase securities not in the Index which the Manager believes are appropriate to substitute for certain securities in the Index or utilise other investment techniques in seeking to replicate, before fees and expenses, the price and yield performance of the Index. The Fund

may sell securities that are represented in the Index in anticipation of their removal from the Index or purchase securities not represented in the Index in anticipation of their addition to the Index.

Anticipated tracking error is based on the expected volatility of differences between the returns of the Fund and the returns of the Index. For a physically replicating ETF, one of the primary drivers of tracking error is the difference between the Fund's holdings and index constituents. Cash management, trading costs from rebalancing and withholding tax or stamp duty suffered by the Fund on any income received from its Investments can also have an impact on tracking error as well as the return differential between the ETF and the benchmark index. The impact can be either positive or negative depending on the underlying circumstances. The anticipated tracking error of the Fund is not a guide to its future performance. The annualised tracking error envisaged is not anticipated to exceed 0.50% under normal market conditions.

#### 4 INFORMATION ON THE INDEX

The Index is a global index that tracks the performance of the global hydrogen segment and also considers fuel cell companies and industrial gases companies. The Index includes mainly companies with at least 50% (25% for current components) of their revenues from hydrogen projects or projects that have the potential to generate at least 50% of their revenues from the hydrogen industry when developed. Due to the lack of pure-play companies in the global hydrogen segment, the Index will also consider companies with at least 50% (25% for current components) of their revenues from fuel cells or industrial gases projects or projects that have the potential to generate at least 50% of their revenues from the fuel cell industry or the industrial gases industry.

The Index considers ESG factors, as described below and further detailed in the Index methodology available on the Index Providers website. The Index Provider utilizes ESG data provided by Institutional Shareholder Services group of companies (ISS). ISS provides the Index Provider with high-quality data, analytics and insight, including country ESG research and ratings enabling the Index Provider to identify material social and environmental risks and opportunities. In particular, data standards used by the Index Provider are:

- (a) Data Input: MarketVector Indexes sources ESG data externally from ISS. Where data is not available, best efforts is made to model required data.
- (b) Verification and quality of data: The provider of ESG-related data input is selected by the Index Provider based on an assessment of its existing processes in order to ensure the reliability and representativeness of the ESG-related data. The data provider has established processes in accordance with accepted and established market standards that ensure the permanent quality and reliability of the ESG-data provided.
- (c) Reference standards: ISS Norm-Based Research framework consists of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights and is embedded in the Sustainable Development Goals.

The Index does not consider companies that violate certain ESG criteria included in the following categories (binding criteria):

- (a) Norm-based research:
  - (i) Thematic areas: Union Rights, Workplace Discrimination, Bribery, Child Labour, Environmental Protection, Fundamental Human Rights, Forced



Labour, Labour Standards, Money Laundering. Companies with a Case Severity Indicator score of 'Very Severe' are not included in the portfolio. The 'Very Severe' value identifies instances where the company is reportedly causing/contributing to critical adverse impact.

The Case Severity Indicator is a measure of the reported risk or impact on society or the environment and takes into account the degree of corporate involvement. The values which refer to severity are indicated in the Norm-based Research Methodology, as:

- (A) "Severe": identifies instances where the company is reportedly causing/contributing significant adverse impact.
- (B) "Moderate": identifies instances where the company is causing/contributing to adverse impact or linked to significant/critical adverse impact.
- (C) "Potential": identifies instances where the impact and/or corporate involvement have not been clearly determined.

When companies are identified as involved in Gender Discrimination, Racial Discrimination and are listed on the AFL-CIO Boycott List (identified by "T"), are also not included in the portfolio.

- (ii) The overall Norm-based research score ("NBSOverallScore"), assigning a 1-10 rating score to an issuer based on the issuer's link with any violations of international standards. The Index Provider excludes from the investable universe the companies which are assessed with a score of 9 or 10.
  - (iii) The overall Norm-based research Severity Indicator score ("NBSOverallSeverityScore"), which enables the inclusion in the portfolio of companies with a non "Very Severe" score.
- (b) Controversial weapons, which takes into consideration the involvement in: Anti-personnel Mines, Biological Weapons, Chemical Weapons, Cluster Munitions, Depleted Uranium, Incendiary Weapons, Nuclear Weapons Outside NPT, Nuclear Weapons Inside NPT and White Phosphorus Weapons. These factors assign an overall Red, Amber, or Green flag to an issuer based on the issuer's involvement in the different categories of controversial weapons. Companies with a "Red" flag are excluded from the portfolio.
  - (c) Civilian Firearms, which takes into consideration the involvement in: Ammunition, Assault Weapons, Automatic Firearms, High-Capacity Magazines, Any Tie and Repeating Firearms. When the Risk Flag, which indicates potential current or imminent involvement, is indicated as "Blank" or "Not Collected", the company is included in the portfolio.
  - (d) Sector and energy extractives exposure, with consideration of Tobacco, Gambling, Energy Extractives (Thermal Coal Mining, Fossil Fuel, Oil Sands and Nuclear Power) and Military Equipment and Services. Only companies that derive not more than 5% of their revenues from the mentioned activities, can be included in the portfolio.

A company is considered to be ESG compliant if it satisfies the ESG screening criteria set forth by the Index Provider. Furthermore, the companies that are not covered by ISS or for which all relevant data fields are not collected by ISS may be eligible for inclusion. In these cases, the Index Provider will review the impact and will act on a best-efforts basis to ensure data coverage by performing qualitative data research through the review of relevant publicly available information of the respective company.

The Index employs a capping scheme to ensure diversification. All companies are ranked by their free-float market capitalisation. The maximum weight for any single component is 10% for companies which derive greater than 50% of its revenue in hydrogen, fuel cells or technologies that are directly connected to the hydrogen economy. However, the maximum weight for companies producing industrial gases, using the technology for their products or being otherwise involved in the hydrogen economy is 8% per single component. If a component exceeds the maximum weight at the time of the Index rebalancing, then the weight of such component's weighting will be reduced to the maximum weight and the excess weight shall be redistributed proportionally across all other (uncapped) Index constituents. This process is repeated until no component weight exceeds the respective maximum weight.

The Index components are reviewed on a quarterly basis based on the closing data on the last business day in February, May, August and November. If a company does not trade on the last business day in February, May, August or November, the last available price for this company will be used during the review process. The underlying index data (e.g. new number of shares, new free-float factors and new weighting cap factors) is announced on the second Friday in a quarter-end month (i.e. March, June, September and December). The weighting cap factors are based on closing data of the Wednesday prior to the second Friday in a quarter-end month (i.e. March, June, September and December).

Changes to the Index will be implemented and based on the closing prices of the third Friday of every quarter-end month (i.e. March, June, September and December). If the third Friday is not a business day, the review will take place on the last business day before the third Friday. If a company does not trade on the third Friday of a quarter-end month, then the last available price for this company will be used. Changes become effective on the next business day.

The target coverage of the Index is at least 90% of the free-float market capitalisation of the investable universe with at least 25 companies.

The following steps will be followed and form the Index review procedure:

- (a) All stocks in the investable universe are sorted in terms of free-float market capitalisation in descending order.
- (b) Stocks covering the top 85% of the free-float market capitalisation of the investable universe qualify for selection.
- (c) Existing components between the 85th and 98th percentiles also qualify for the Index.
- (d) If the coverage is still below 90% or the number of components in the Index is still below 25, the largest remaining stocks will be selected until coverage of at least 90% is reached and the number of stocks equals 25.
- (e) If the number of eligible companies remains below 25, additional companies are added by the Index Provider's from the investable universe until the number of stocks equals 25.

For all corporate events that result in a stock deletion from the Index, the deleted stock will be replaced with the highest ranked non-component on the most recent selection list immediately only if the number

of components in the Index would drop below 20. The replacement stock will be added at the same weight as the deleted stock. Only in case the number of components drops below its minimum due to a merger of two or more index components, the replacement stock will be added with its uncapped free-float market capitalisation weight. In all other cases, i.e. there is no replacement, the additional weight resulting from the deletion will be redistributed proportionally across all other index constituents.

## 5 INDEX PROVIDER

The Index is published by MarketVector Indexes™ GmbH (the **Index Provider**), an affiliated company of the Manager. The Index Provider has contracted with Solactive AG to maintain and calculate the Index. The Index Provider does not sponsor, endorse, or promote the Fund and bears no liability with respect to the Fund or any security. The Index Provider will notify the Fund of material errors in the Index via the Index Provider's website.

In accordance with Central Bank requirements, the Company is required to provide details of the Index Provider's website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company has no responsibility for the Index Provider's website and is not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof. Further information in relation to the Index may be found on the Index Provider's website, [www.marketvector.com](http://www.marketvector.com).

The Index Provider utilizes ESG data provided by Institutional Shareholder Services group of companies (ISS). ISS provides the Index Provider with high-quality data, analytics and insight, including country ESG research and ratings enabling the Index Provider to identify material social and environmental risks and opportunities.

## 6 INVESTMENT RESTRICTIONS

The general investment restrictions as set out in the Prospectus shall apply. The Fund may not invest more than 10% of its Net Asset Value in open-ended collective investment schemes.

The Fund may not invest less than 51% of its Net Asset Value in equity securities which constitute "equity participation" within the meaning of section 2, Article 8 of the German Investment Tax Act (Investmentsteuergesetz). Equity participation in this context consists of shares in corporations traded or admitted for trading on a regulated market or multilateral trading facility (**MTF**) considered as such by the European Securities and Markets Authority (**ESMA**). The actual equity participation ratios of target investment funds can be taken into account.

There may be instances where the weighting of any constituent security of the Index could cause the Fund to breach the investment restrictions set out in the Prospectus. If such an event occurs, it is intended that the Fund will purchase other assets, the effect of which will seek to maintain, so far as is possible, the same economic exposure to and the same weighting of the security of that issuer in the Index without breaching its investment restrictions.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders.

## 7 Borrowing

The Fund may borrow money in an amount up to 10% of the market value of its net assets at any time for the account of any Fund and the Depositary may charge the assets of the Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Fund may acquire currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of the Regulations provided that the offsetting deposit is denominated in the Base Currency of the Fund and equals or exceeds the value of the foreign currency loan outstanding.

## 8 Risk Factors

The general risk factors as set out in the section entitled **Risk Factors** in the Prospectus apply.

Investors in the Fund should be willing to accept a high degree of volatility in the price of the Fund's Shares and the possibility of significant losses. An investment in the Fund involves a substantial degree of risk. Therefore, you are advised to consider carefully the following risks before investing in the Fund.

The value of investments and the income from them, and therefore the value of and income from the Shares can go down as well as up and an investor may not get back the amount invested. The Fund's exposure is based on the performance of the Index securities which, in turn, is exposed to general market movements (negative as well as positive).

An investment in the Fund may be subject to risks which include, among others, material transaction cost from rebalancing activity and fluctuations in the value of securities held by the Fund due to market and economic conditions or factors relating to specific issuers.

Certain additional risks may also be associated with the Fund, including, without limitation:

### 8.1 Risk of Investing in the Hydrogen Industry

Investments in the Hydrogen industry are subject to environmental concerns, taxes, government regulation, price, supply and competition.

The Fund will be sensitive to, and its performance will depend to a greater extent on, the overall condition of Hydrogen companies. Hydrogen companies could face intense competition, both domestically and internationally, may have limited product lines, markets, financial resources, or personnel, may have products that face rapid obsolescence, and are heavily dependent on the protection of patents. Pure-play companies (i.e., companies that focus only on a particular product or activity) may be dependent on one or a small number of product of their revenue and profits. They may also be subject to shifting consumer preferences, including preferences with respect hydrogen cars or electric cars. Such factors may adversely affect the profitability and value hydrogen companies. These companies are also subject to increasing regulatory constraints, particularly with respect to environmental changes. In addition to the costs of complying with such regulations could adversely affect the profitability and value of these companies. Hydrogen companies also face challenges around production, storage, and infrastructure. Though costs continue to fall certain production methods are either not mature enough to be competitive with traditional energy methods or are not available at a large scale.

The stock prices of companies in the hydrogen industry have been and will likely continue to be extremely volatile compared to the overall market.

### 8.2 Risk of Investing in Small- and Medium-Capitalisation Companies

The securities of small- and medium-capitalisation companies may be more volatile and less liquid than the securities of large companies. As securities of small- and medium-capitalisation companies may experience more market price volatility than securities of larger companies, the net asset value of any fund which invests in small- and medium-capitalisation companies (such as the Fund) may reflect this

volatility. Small- and medium-capitalisation companies, when compared with larger companies, may have a shorter history of operations, fewer financial resources, less competitive strength, may have a less diversified product line, may be more susceptible to market pressure and may have a smaller market for their securities. Investment in small- and medium-capitalisation companies may involve comparatively higher investment costs and accordingly investment in the Fund should be viewed as a long term investment. The Fund may however dispose of an investment made by it within a relatively short period of time, for example, to meet requests for redemption of Shares.

### **8.3 Risk of Investing in the Energy Sector**

The energy sector includes companies engaged in the exploration, production and distribution of energy sources and companies that manufacture or provide related equipment or services. Companies operating in the energy sector are subject to risks including, but not limited to, economic growth, worldwide demand, political instability in the regions that the companies operate, government regulation stipulating rates charged by utilities, interest rate sensitivity, oil price volatility and the cost of providing the specific utility services. In addition, these companies are at risk of civil liability from accidents resulting in injury, loss of life or property, pollution or other environmental damage claims and risk of loss from terrorism and natural disasters.

### **8.4 Foreign Currency Risk**

In the event that the Fund's assets are invested in securities denominated in currencies other than the Base Currency, all or a portion of the proceeds received by the Fund from its investments and/or the revenues received from such underlying issuer will generally not be in the Base Currency. The Fund's exposure to foreign currencies and changes in the value of foreign currencies versus the Base Currency may result in reduced returns for the Fund. Moreover, the Fund may incur costs in connection with conversions between the Base Currency and foreign currencies. The value of an emerging market country's currency may be subject to a high degree of fluctuation. This fluctuation may be due to changes in interest rates, investors' expectations concerning inflation and interest rates, the emerging market country's debt levels and trade deficit, the effects of monetary policies issued by foreign governments, central banks or supranational entities, the imposition of currency controls or other national or global political or economic developments. The economies of certain emerging market countries can be significantly affected by currency devaluations. Certain emerging market countries may also have managed currencies which are maintained at artificial levels relative to the Base Currency rather than at levels determined by the market. This type of system could lead to sudden and large adjustments in the currency, which in turn, can have a negative effect on the Fund and its investments.

### **8.5 Risk of Issuer-Specific Changes**

The value of individual securities or particular types of securities in the Fund's portfolio can be more volatile than the market as a whole and can perform differently from the value of the market as a whole, which may have a greater impact if the Fund's portfolio is concentrated in a country, group of countries, region, market or asset class. The value of securities of smaller issuers can be more volatile than that of larger issuers. A change in the financial condition, market perception or the credit rating of an issuer of securities included in the Index may cause the value of its securities to decline.

### **8.6 Liquidity Risk**

The Company provides daily liquidity. Under normal circumstances, all positions can be sold within a very short period of time without realising significant losses. However, unforeseen circumstances can give rise to abnormal conditions which could cause the Company to face liquidity risk. It could be unable to sell its positions as a result. The degree to which the securities in which the Fund invests can be traded affects the

level of the actual buy and sell prices. This could mean that securities cannot be sold or can only be sold at a substantially lower price than the valuation assigned and the Fund may be unable to free up adequate funds to satisfy its purchase obligations. The bid/ask prices can deviate from the asset value of the share in the Fund, as a result of which the performance may deviate from that of the underlying Index or Indices, certainly in the event of limited liquidity on the market. To limit this risk, investments are only made in listed securities. In exceptional circumstances, if the purchase of shares in the Company is suspended for instance, there could be a risk that the investor may be unable to sell their investment at the desired moment or for a reasonable price. Given the open-ended character of the Company, it could be confronted with a high number of exits which would mean investments would have to be liquidated under potentially unfavourable conditions. This would negatively impact the value of the share. As described in this Prospectus, the purchase of shares may be (temporarily) suspended under certain circumstances.

## 8.7 Limited Diversification Risk

The Fund may invest a relatively high percentage of its assets in a smaller number of issuers or may invest a larger proportion of its assets in a single issuer. As a result, the gains and losses on a single investment may have a greater impact on the Fund's Net Asset Value and may make the Fund more volatile than more diversified funds.

## 8.8 Concentration Risk

The Fund's assets may be concentrated in a particular sector or sectors or industry or group of industries to the extent the Index concentrates in a particular sector or sectors or industry or group of industries. Accordingly, the Fund may be subject to the risk that economic, political or other conditions that have a negative effect on a particular industry or sector will negatively impact the Fund to a greater extent than if the Fund's assets were invested in a wider variety of sectors or industries.

The Fund may be particularly vulnerable to this risk because the Index is comprised of securities of a very limited number of issuers. The Fund's assets may be concentrated in a small number of stocks and/or may be concentrated in particular sectors which may subject the Fund to more risk than investments in a diverse group of companies and sectors.

## 9 Dividend Policy

It is not proposed that the Directors will declare a dividend in respect of the Fund. Full details of any change to the Fund's dividend policy will be provided in an updated Supplement and all Shareholders will be notified in advance.

## 10 KEY INFORMATION FOR PURCHASING AND SELLING

|                      |   |
|----------------------|---|
| <b>Base Currency</b> | US Dollar ( <b>USD</b> ).   |
| <b>Business Day</b>  | means every day other than a Saturday or Sunday (or such other day(s) as the Directors may from time to time determine and notify in advance to Shareholders).  |
| <b>Dealing Day</b>   | In general, each Business Day will be a Dealing Day. However, certain Business Days will not be Dealing Days where, in the sole determination of the Manager: (i) markets on which the Fund's investments are listed or traded, or markets relevant to the Index are closed, and/or (ii) there is a public holiday in the jurisdiction in which the Manager or its delegate(s), if applicable, is or are based; |

|                         |   |
|-------------------------|---|
|                         | provided there is at least one Dealing Day per fortnight. The Dealing Days for the Fund are available at <a href="http://www.vaneck.com">www.vaneck.com</a> .                     |
| <b>Dealing Deadline</b> | 4:00 p.m. (Irish time) on the Business Day prior to the relevant Dealing Day.   |
| <b>Settlement Date</b>  | In the case of subscription(s), within 2 Business Days of the relevant Dealing Day.<br><br>In the case of repurchases, within 3 Business Days of the relevant Dealing Day.        |
| <b>Valuation Point</b>  | 11:00 p.m. (Irish time) on the relevant Dealing Day.  |
| <b>Website</b>          | Information on portfolio composition and details of the intra-day portfolio value ( <b>iNAV</b> ) are set out on the website <a href="http://www.vaneck.com">www.vaneck.com</a> . |

### Description of the Shares

|                                     |   |
|-------------------------------------|---|
| <b>Share Class</b>                  | A   |
| <b>ISIN</b>                         | IE00BMDH1538  |
| <b>Initial Offer Period</b>         | The Initial Offer Period shall commence at 9:00 a.m. (Irish time) 4 March 2021 and close at 5.00 p.m. (Irish time) on 3 September 2021 as may be shortened or extended by the Directors and notified to the Central Bank. |
| <b>Initial Price</b>                | Approximately USD 20, plus an appropriate provision for Duties and Charges, or such other amount as determined by the Manager and communicated to investors prior to investment.  |
| <b>Creation Unit</b>                | 50,000 Shares or such other amount as may be determined by the Directors at their discretion  |
| <b>Minimum Initial Subscription</b> | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Initial Subscription.   |
| <b>Minimum Holding</b>              | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Holding.  |

## 11 CHARGES AND EXPENSES

The following fees and expenses will be incurred by the Company on behalf of the Fund and will affect the Net Asset Value of the relevant Class of Share of the Fund:

|                    |   |
|--------------------|---|
| <b>Share Class</b> | A   |
| <b>Total Fee</b>   | Up to 0.55 %per annum or such lower amount as may be advised to Shareholders from time to time. |

The Total Fee, a percentage of the Net Asset Value of the relevant Class of Shares (plus VAT, if any), is payable by the Company out of the Fund Assets to the Manager. The Total Fee will accrue on each day and will be calculated on each Dealing Day and paid monthly in arrears. The Total Fee will cover all of the ordinary fees, operating costs and expenses payable by the Fund including fees and expenses paid to the Manager, all ordinary costs and expenses connected with the management and operating activities of the Fund, including investment management and advisory fees, Director's fees, registration, transfer agency, administration and custody fees, registrar fees, regulators and auditors and certain legal expenses of the Company. The Total Fee does not include extraordinary costs and expenses (including but not limited to transaction charges, stamp duty or other taxes on the investments of the Company including duty charges for portfolio re-balancing, withholding taxes, commissions and brokerage fees incurred with respect to the Company's investments, interest on any non-overdraft credit facility and charges incurred in negotiating, effecting or varying the terms of such facility, any commissions charged by intermediaries in relation to an investment in the Fund and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the Company all of which will be paid separately out of the assets of the Fund). The cost of establishing the Fund will be borne by the Manager.

This section entitled **Charges and Expenses** should be read in conjunction with the sections entitled **General Charges and Expenses** and **Management Charges and Expenses** in the Prospectus.

## 12 Registration for public distribution and listing

Application is expected to be made to register the Fund for public distribution in various countries.

Application will be made to list the Shares on Euronext Dublin and other stock exchanges. Through the operation of such a secondary market, persons who are not Authorised Participants or not able or willing to subscribe for and redeem Creation Units will be able to buy Shares from or sell Shares to other retail investors or market makers, broker/dealers, or other Authorised Participants at prices which should approximate, after currency conversion, the Net Asset Value of the Shares.

## 13 How to buy and sell Shares

Investors can buy and sell Shares on the secondary market as described above in accordance with the procedures set out in the section entitled **Secondary Market** in the Prospectus.

Investors can otherwise subscribe for or redeem Creation Units in accordance with the procedures set out in the Prospectus.

## 14 Sustainable Finance Disclosure

The Manager has categorised the Fund as meeting the provisions set out in Article 9(1) of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector ("**SFDR**") for products which have sustainable investment as their objective and where an index has been designated as a reference benchmark, as further described in Annex I of this Supplement.

### 14.1 Sustainable investment objective



This Fund aims at enhancing sustainable forms of energy generation, to reduce carbon emissions and ultimately contribute to the mitigation of climate change.

This Fund has a sustainable investment objective with an emphasis on environmental objectives. The Fund has a passive investment policy whereby the Fund aims to follow the Index as closely as possible. The relevant Index consists primarily of companies that generate a substantial part of their revenues from hydrogen products or projects. The Index includes mainly companies that derive at least 50% (25% for current components) of their revenues from hydrogen projects or projects that have the potential to generate at least 50% of their revenues from the hydrogen industry when developed. Due to the lack of pure-play companies in the global hydrogen segment, the Index will also consider companies with at least 50% (25% for current components) of their revenues from fuel cells or industrial gases projects or projects that have the potential to generate at least 50% of their revenues from the fuel cell industry or the industrial gases industry. These companies contribute to the development and production of hydrogen technology to enhance sustainable forms of energy generation, to reduce carbon emissions and ultimately contribute to the mitigation of climate change. The Fund contributes to these environmental objectives by investing in these companies.

In addition, certain screenings are applied in the index construction to ensure that the companies do not significantly harm any other environmental or social sustainable investment objective. By means of ISS data companies are screened for activities which may negatively affect sustainability factors. The screenings consist of various components:

- (a) Norms-Based Research whereby companies are screened for violations of international standards concerning various norms such as human rights, labor rights, environmental risk and bribery. ISS Norm-Based Research framework consists of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights and is embedded in the Sustainable Development Goals.
- (b) Involvement in controversial weapons.
- (c) Involvement in civilian firearms.
- (d) Involvement in controversial sectors if 5% revenue or more derived from activities in the tobacco industry, thermal coal mining, gambling, oil sands, military equipment and services and nuclear power.

## 14.2 Sustainability Risks

Sustainability risk is the risk that the value of an investment will decline as a result of an environmental, social or governance (ESG) event or circumstance. Ecological events include climate change, scarcity of natural resources and pollution. Social events may include labour issues and product liability. Governance can include themes such as shareholder rights, business ethics, diversity and executive remuneration. Sustainability risks can arise in all kinds of forms. With regard to the theme of climate, for example, there is a distinction between transition risks and physical risks, whereby transition risks can be divided into legal and regulatory risks, technological risks, market risks and reputation risks. In addition, the impact of sustainability risk has various scopes, including company-specific, sector-specific and on country level. The occurrence of a sustainability risk results in other (financial) risks manifesting. This can negatively affect the value of the investment.

Concrete examples of sustainability risks for the Fund are: the Fund invests in hydrogen related companies. If hydrogen does not prove to be an adequate solution for the energy transition, the revenues of the underlying investments can decline. A more general risk is a company that has an

overly generous remuneration policy or a remuneration policy that is inconsistent with the interests of the shareholders. Also, a company's reputation can deteriorate as a result of negative publicity about an environmental or labour issue that can cause the value of its stock to decline. The expected impact of sustainability risks on the return depends on the type of sustainability risk that materializes. For hydrogen economy equity portfolios, this expected impact is generally viewed as moderate given the specific nature of the universe of the Fund.

### **14.3 Sustainability Risk Integration**

The Fund has a passive investment policy whereby the Fund aims to follow the index as closely as possible. The relevant Index consists primarily of companies that generate a substantial part of their revenues from hydrogen technology. In paragraph 14.1 the selection criteria and screenings performed for the index construction are described. These measures reduce the sustainability risk considerably. Apart from the investment universe and the exclusion policy of the Fund, the Manager does not integrate sustainability risks.

The Manager applies the following measures to integrate sustainability risks for this Fund:

### **Exclusions**

Exclusions apply to this Sub-Fund as further outlined in section 2.2 and 14.1 of this Supplement as well as section 10 of the Prospectus.

### **Voting**

The Manager can exercise his voting rights at shareholders' meetings, according to the Proxy Voting Policy. To assist in its responsibility for voting proxies and the overall voting process, the Manager has engaged an independent third party proxy voting specialist, Glass Lewis Europe Limited, which takes also Environmental, Social and Governance factors into account when casting votes.

In particular, the Glass Lewis ESG voting policy is applied:

- (a) On the Environmental side, within others, measures in favour of increased disclosure of a company's environmental risk through company-specific disclosure as well as compliance with international environmental conventions and adherence to environmental principles will be supported. Similarly, the ESG Policy will support proposals requesting companies develop greenhouse gas emissions reduction goals, comprehensive recycling. The ESG Policy will evaluate a company's impact on the environment, in addition to the regulatory risk a company may face by not adopting environmentally responsible policies. Further, the ESG Policy will consider voting against directors for not appropriately overseeing environmental risk.
- (b) On the Social side, the ESG Policy will support several proposals, including but not limited to requesting that a company develop sustainable business practices, such as animal welfare policies, human rights policies, and fair lending policies. Furthermore, the ESG Policy will also generally support enhancing the rights of workers, as well as considering the communities and broader constituents in the areas in which companies do business.
- (c) On the Governance side, the ESG Policy supports, within other aspects, increased shareholder participation and access to a company and its board of directors. Accordingly, the ESG Policy will vote in favour of initiatives that seek to enhance shareholder rights, such as the introduction of majority voting to elect directors, the adoption and amendment of proxy access bylaws, the elimination/reduction of supermajority provisions, the declassification of the board, the submission of shareholder rights' plans to a shareholder vote, and the principle of one share, one vote.

### **Engagement**

The Manager appointed a third-party engagement specialist, Glass Lewis Europe Limited, for the passive equity funds managed by VanEck Asset Management B.V. The engagement provider determines the engagement approach in accordance with its engagement policy and based on its engagements' priorities.

New Funds may be created from time to time by the Directors with the prior approval of the Central Bank in which case further Supplements incorporating provisions relating to those Funds will be issued by the Company.

The names of the Funds currently approved by the Central Bank are listed in the Global Addendum.

## SCHEDULE 1

### INDEX DISCLAIMERS

It is not possible to invest directly in an index. Exposure to an asset class represented by an index is available through investable instruments or products based on that index. MarketVector Indexes™ GmbH (**MarketVector**) does not sponsor, endorse, sell, promote or manage any investment fund or other financial product that is offered by third parties and that seeks to provide an investment return based on the performance of any MarketVector index ("Financial Product"). MarketVector makes no assurance that a financial product based on a MarketVector index will accurately track the index performance or provide positive investment returns. MarketVector is not an investment advisor or an investment manager, and it makes no representation regarding the advisability of investing in any Financial Product. A decision to invest in any Financial Product should not be made in reliance on any of the statements set forth in this document.

Prospective investors are advised to make an investment in any Financial Product only after carefully considering the risks associated with investing in such Financial Product, as detailed in an offering memorandum or similar document that is prepared by or on behalf of the issuer of the Financial Product.

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The indicative optimised portfolio value/intra-day portfolio value is calculated by S&P Global Ltd.

## ANNEX I

Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

**Product name:** VanEck Hydrogen Economy UCITS ETF  
**Legal entity identifier:** 254900D05110DY0JC821

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Sustainable investment objective

| Does this financial product have a sustainable investment objective?   |   |
|--|---|
| <input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> Yes  | <input checked="" type="radio"/> <input type="radio"/> <input type="checkbox"/> No  |
| <input checked="" type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: 100% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> | <input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> |
| <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ____%  | <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>  |



**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

**What is the sustainable investment objective of this financial product?**

The Fund aims at enhancing and developing sustainable forms of energy generation and storage. Therefore, the Fund invests in companies that generate part of their revenues from hydrogen projects or projects that have the potential to generate at least part of their revenues from the hydrogen industry when developed.

This includes companies that have significant (>50%) revenue exposure to hydrogen, fuel cells or technologies that are directly connected to the hydrogen economy. In case it is not possible to do so without severely compromising Fund's liquidity, tradability and representativeness, the Fund also considers companies with at least part of their revenues from fuel cells or industrial gases projects or projects that have the potential to generate at least part of their revenues from the fuel cell industry or the industrial gases industry. Such companies can potentially enable Hydrogen

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Economy by either providing crucial supplies or creating infrastructural solutions that could be repurposed for hydrogen-related usage.

A reference benchmark has been designated for the purpose of attaining the sustainable investment objective.

Compared to a non-ESG fund with similar exposure, this Fund applies mandatory Environmental and Social factors and limits. These are corresponding to the Principal Adverse Impacts specified below.

● **What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?**

The Fund measures the following sustainability indicators:

| Indicator  |
|--|
| The weighted percentage of investee companies' revenues derived from global hydrogen segment, fuel cell companies or industrial gases  |
| The percentage of portfolio involved in violations of UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights. The target is 0% at rebalancing. |
| The percentage of portfolio involved in the fossil fuels industry.   |
| The percentage of portfolio involved in non-renewable energy production.   |

● **How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**

Screenings are applied in the index construction to ensure that the companies do not significantly harm any other environmental or social sustainable investment objective. The screenings consist of various components:

- Controversial sector involvement, whereby companies are screened for involvement in:
  - Controversial weapons: a 0% involvement threshold is applied for production of controversial weapons or supply of critical components for them.
  - Civil firearms: a 0% involvement threshold is applied.
  - Tobacco, thermal coal, fossil fuels, oil sands, nuclear power, military equipment and services and gambling: a 5% revenue threshold is applied.
- Norm-Based Research, whereby companies are screened for violations of international standards concerning various norms such as human rights, labor rights, environmental risk and bribery.

Companies for which there is no data available on one or more screening components, do not constitute a violation of environmental or social objectives on that specific screening component. Companies that are not covered by the ESG data provider or for which all relevant data fields are not collected by the ESG data provider may be eligible for inclusion.

— — **How have the indicators for adverse impacts on sustainability factors been taken into account?**

Based on the Fund's thematic investment policy focusing on sustainable forms of energy generation, adverse impacts on sustainability factors such as GHG emissions, carbon footprint, GHG intensity are limited and therefore implicitly taken into account.

In addition, the Fund considers the following principal adverse impacts by means of screening and excluding companies with a low performance on sustainability factors on the below subjects in the following manner:

1. Greenhouse Gas (GHG Emissions):
  - Part of Norm-based research on environmental protection "Failure to mitigate climate change impacts"
  - Fossil Fuel/Coal - Total Maximum Percentage of Revenues is 5%: This factor provides the maximum percentage of recent-year revenues for the issuer's total involvement in coal/fossil fuel, including any exposure in Production, Exploration, Distribution, and Services.
  - Companies that are eligible for the index inclusion under sub-theme F, must display a positive environmental impact by having at least one score larger than zero, and the other score at least zero, related to the Contribution and Achievement of Sustainable Agriculture and Forestry or Agriculture Climate Change Contribution.
2. Biodiversity
  - Part of Norm-based research on environmental protection "Failure to prevent depletion of biodiversity" and "Failure to prevent deforestation / illegal logging"
3. Water
  - Part of Norm-based research on environmental protection "Failure to prevent depletion of biodiversity", "Failure to prevent water pollution" and "Failure to prevent oil spill"
4. Waste
  - Part of Norm-based research on environmental protection "Poor waste management", "Poor nuclear safety", "Failure to prevent pollution" and "Failure to mitigate the production / distribution of hazardous substances"
5. Social and employee, respect for human rights, anti-corruption and anti-bribery matters
  - Norm-based screening covers controversial practices that have adverse impacts on society and the environment in line with established expectations for Responsible Business Conduct as set forth in the core normative framework consisting of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights, all of which are embedded in the Sustainable Development Goals.
  - Part of Norm-based research on Human Rights, including "Failure to conduct human rights due diligence" and "Failure to provide equal pay for work of equal value"
  - Controversial weapons screenings are performed whereby companies with a RED exposure score in anti-personnel mines, biological and chemical weapons, cluster munitions, depleted uranium, incendiary weapons, white phosphorus and nuclear weapons are excluded from the index.

A description on how the Fund has considered Principal Adverse Impacts on sustainability factors in the preceding year is included in the Fund's annual report.

— *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Norm-based research is conducted, whereby companies are screened for violations of international standards concerning various norms such as human rights, labor rights, environmental risk and bribery. Norm-based Research framework consists of research on the level of adherence of a company to the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights and is embedded in the Sustainable Development Goals.

Violations of these standards are measured by reference to the Case Severity Indicator. The Case Severity Indicator is a measure of the reported risk or impact on society or the environment and takes into account the degree of corporate involvement. The values which refer to severity are indicated in the Normed-based Research Methodology as 'Very Severe', 'Severe', 'Moderate' and 'Potential'. The 'Very



Severe' value identifies instances where the company is reportedly causing/contributing to critical adverse impact and is excluded from the Index.

Furthermore, the overall Norm-based research Score ("NBSScore") assigns a 1-10 rating score to an issuer based on the issuer's link with any violations of international standards. The Index Provider excludes from the investable universe the companies which are assessed with a score of 9 or 10, equivalent to verified or imminent failure to respect established norms.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.



### Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes

☐ No

Yes, exposure to certain environmental adverse impacts is minimized due to the thematic investment policy of the Fund whereby specific emphasis is placed on companies which contribute to the development of hydrogen-based energy generation. In addition, by means of Norm-based research and Controversial sector involvement screenings, the Fund takes the principal adverse impacts on sustainability factors relating to greenhouse gas emissions, biodiversity, water, waste, social and employee, respect for human rights, anti-corruption and anti-bribery matters into account.

For detailed information, please refer to the questions "How have the indicators for adverse impacts on sustainability factors been taken into account?" and "How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?"

Additionally, principal adverse impacts are considered as part of the Glass Lewis ESG policy guidelines, whereby casted votes regard the environment, energy efficiency, the use of renewable energy sources, enhancing the rights of workers, violation of international human rights standards, gender pay inequity and board diversity.



### What investment strategy does this financial product follow?

The Fund's investment objective is to replicate, before fees and expenses, the price and yield performance of the MVIS<sup>®</sup> Global Hydrogen Economy ESG Index. The Fund seeks to invest in companies which generate revenues from hydrogen projects or projects that have the potential to generate revenues from the hydrogen industry. Norm-based research and Controversial sector involvement screenings are performed in the selection of companies in the index. In addition, the Glass Lewis ESG-tilted voting policy is applied, whereby casted votes in shareholder meetings of companies in the portfolio concern sustainability matters.

#### ● What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

The Fund's investments must comply with the following binding elements:

1. Companies must generate at least 50% (25% for current components) of their revenues from hydrogen projects or projects that have the potential to generate at least 50% of their revenues from the hydrogen industry when developed.  
In case it is not possible to do so without severely compromising Fund's liquidity, tradability and representativeness, the Fund also considers companies with at least 50% (25% for current components) of their revenues from fuel cells or industrial gases projects or projects that have the potential to generate at least 50% of their revenues

from the fuel cell industry or the industrial gases industry. Such projects could be useful for the hydrogen industry in the future do to their potential for being repurposed for hydrogen production and distribution.

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

staff ad tax compliance.

2. Companies must comply with the criteria defined for Norm-based research and Controversial sector involvement screenings to ensure that the companies in the portfolio do no significant harm to other sustainability related objectives. The exact thresholds are described under "How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?" and the two subsequent questions.

### ● **What is the policy to assess good governance practices of the investee companies?**

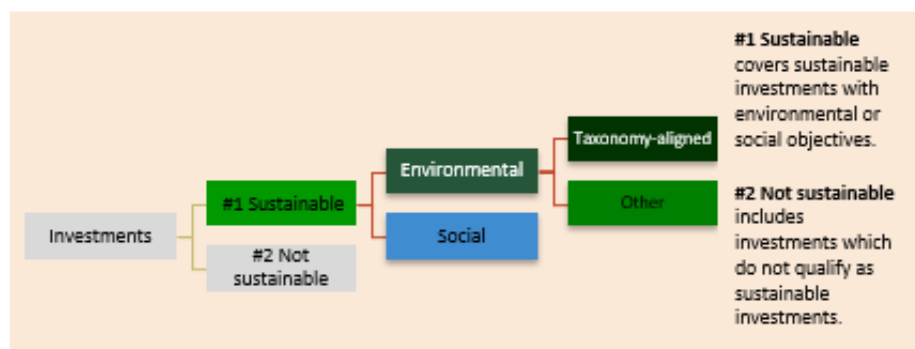
Good governance relates to sound management structures, employee relations, remuneration of staff and tax compliance. The Fund excludes companies when ISS rating shows the verifiably violated or imminent to violate the OECD Guidelines for multinational enterprises and the UN Guiding Principles on Business and Human Rights.

Assessment is performed at any rebalancing of the underlying Index, excluding companies with a score of 9 or 10, according to the Norm-based research overall score approach.

In addition, the Fund also excludes companies with severe and very severe controversy ratings. The rating takes into account, among others, Accounting Fraud, Anti-competitive Behaviour, Bribery, Money Laundering, Failure to manage cybersecurity, Failure to pay fair share of taxes, Poor stakeholder consultation, Workplace discrimination, Labour Rights Violations, Working Conditions as well as Supply-Chain standards.

### **What is the asset allocation and the minimum share of sustainable investments?**

The Fund invests in direct financial instruments of which 100% is sustainable. All of these sustainable investments are environmentally sustainable.



### ● **How does the use of derivatives attain the sustainable investment objective?**


The Fund does not invest in derivatives. Therefore this question is not applicable.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

 are environmentally sustainable investments that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

While the Fund has a sustainable investment objective within the meaning of Article 9 of the SFDR and invests in hydrogen technology, thereby aiming to enhance sustainable forms of energy generation and to reduce carbon emissions, the investments underlying this Fund do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. As such, the Fund's portfolio alignment with such Taxonomy Regulation is not calculated. It follows that the minimum extent of sustainable investments with an aligned environmental objective aligned with the Taxonomy Regulation is currently 0%.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?**

☐ Yes

☐ In fossil gas ☐ In nuclear energy

☒ No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **What is the minimum share of investments in transitional and enabling activities?**

The minimum share of investments in transitional and enabling activities is 0%.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

100% of the Fund's investments is sustainable with an environmental objective that are not aligned with the EU Taxonomy. This is determined based on the (potential) revenue streams of companies related to hydrogen technology and the criteria defined for Norm-based research and Controversial sector involvement screenings to ensure that the companies in the portfolio do no significant harm to other sustainability related objectives. The Fund's investments are considered to be sustainable investments with an environmental objective, but are not aligned with the expansive and strict criteria which are defined for hydrogen in the EU Taxonomy.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



**What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?**

Not applicable, all investments are sustainable.



**Is a specific index designated as a reference benchmark to meet the sustainable investment objective?**

As a passive investments strategy, the Fund has designated its underlying index, the MVIS® Global Hydrogen Economy ESG Index, as reference benchmark to meet the sustainable investment objective.

● ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

Sustainability factors are considered as part of screenings which are included in the reference benchmark and assessed at any rebalancing of the underlying Index. By means of Norm-based research and Controversial sector involvement screenings the Fund takes sustainability factors relating to greenhouse gas emissions, biodiversity, water, waste, social and employee, respect for human rights, anti-corruption and anti-bribery matters into account.

For detailed information, please refer to the questions “How have the indicators for adverse impacts on sustainability factors been taken into account?” and “How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?”

● ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

In order to seek to achieve its investment objective, the investment policy of the Fund is to use a replication strategy by investing directly in the underlying equity securities that consists of the component securities of the Index. The Fund is passively managed. The Fund’s Manager, in order to ensure the alignment with the sustainable investments, monitors that the holdings are screened against the underlying Index’s rules by means of:

- Replication by the Portfolio Management Team of the Index based on the Index rules, Those also contain the requirements relating to the percentage of companies’ revenues derived from hydrogen projects or other relevant activities, Norm-based research and Controversial sector involvement screenings (tobacco, fossil fuels, thermal coal mining, gambling, oil sands, civilian firearms, military equipment and services, and nuclear power), as coded in the Bloomberg Compliance Manager system. The Index components are periodically rebalanced by the Index provider.
- Reporting of any breaches of the Index rules by the Legal and Compliance Team, in line with VanEck’s policies and procedures, which are established to assess the alignment of the funds’ investments with the Index and to undertake recovery measures where necessary.
- Periodic confirmation on sustainability integration by the Index provider as part of the regular due diligence.
- Establishment of an ESG Committee which periodically reviews the compliance of the Fund’s characteristics with the current regulation and which goal is to establish, maintain and further develop and monitor ESG strategies offered by VanEck. The ESG Committee is composed by the managing directors and at least one member of each department.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.

- Appointment of a proxy voting specialist - Glass Lewis Europe Limited - to exercise voting rights for all equity funds also on ESG factors. VanEck is periodically informed by the service provider on the voting activities.
- Appointment of a third-party engagement specialist - Glass Lewis Europe Limited - for the passive equity funds managed by VanEck Asset Management B.V. The engagement provider determines the engagement approach in accordance with its engagement policy and based on its engagements' priorities.

● ***How does the designated index differ from a relevant broad market index?***

The index differs from a generic broad market index in following ways:

- Thematic investment approach: companies that have significant (>50%) revenue exposure to hydrogen, fuel cells or technologies that are directly connected to the hydrogen economy. In case it is not possible to do so without severely compromising Fund's liquidity, tradability and representativeness, the Fund also considers companies with at least part of their revenues from fuel cells or industrial gases projects or projects that have the potential to generate at least part of their revenues from the fuel cell industry or the industrial gases industry. Such companies can potentially enable Hydrogen Economy by either providing crucial supplies or creating infrastructural solutions that could be repurposed for hydrogen-related usage.
- ESG screenings: companies with very severe social norms violations, the ones that are involved in civilian firearms, controversial weapons or that exceed certain thresholds of revenue exposure to various (tobacco, energy extractives, gambling and military equipment and services), are not eligible for inclusion.

● ***Where can the methodology used for the calculation of the designated index be found?***

Information on the methodology can be found on the index provider's website:

[https://www.mvis-indices.com/rulebooks/download/mv\\_equity\\_guide.pdf](https://www.mvis-indices.com/rulebooks/download/mv_equity_guide.pdf)



**Where can I find more product specific information online?**

More product-specific information can be found on the website:

<https://www.vaneck.com/ie/en/HDRO>.

**VANECK UCITS ETFs plc**

**Supplement dated 20 June 2025**

**for**

**VanEck Crypto and Blockchain Innovators UCITS ETF**

This Supplement contains specific information in relation to the **VanEck Crypto and Blockchain Innovators UCITS ETF** (the **Fund**), a sub-fund of **VanEck UCITS ETFs plc** (the **Company**), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank pursuant to the Regulations.

**This Supplement forms part of, may not be distributed unless accompanied by (other than to prior recipients of the Prospectus of the Company dated 20 December 2024, as may be amended, supplemented or modified from time to time), and should be read in conjunction with the Prospectus for the Company.**

THIS DOCUMENT IS IMPORTANT. YOU SHOULD NOT PURCHASE SHARES IN THE FUND DESCRIBED IN THIS SUPPLEMENT UNLESS YOU HAVE ENSURED THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT AND THE RISKS INVOLVED AND ARE SATISFIED THAT THE INVESTMENT IS SUITED TO YOUR CIRCUMSTANCES AND OBJECTIVES, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU ARE RECOMMENDED TO TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR.

The Directors of the Company whose names appear in the section entitled **Directors of the Company** in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

**Shares purchased on the secondary market cannot usually be sold directly back to the Fund. Investors must buy and sell Shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value when buying Shares and may receive less than the current Net Asset Value per Share when selling them.**

**An investment in the Fund, whose securities comprise holdings in emerging markets, should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors.**

Certain risks attached to investments in the Fund are set out in the Prospectus in the section entitled **Risk Factors**.

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## 1 IMPORTANT INFORMATION

### 1.1 Profile of a typical investor

A typical investor is expected to be an informed investor who is able to bear capital and income risk, and should view investment in the Fund as a medium to long term investment. A typical investor is expected to be an investor who wishes to take exposure to the markets covered by the Fund's investment policy and is prepared to accept the risks associated with an investment of this type, including the volatility of such market.

### 1.2 General

This Supplement sets out information in relation to the Shares and the Fund. You must also refer to the Prospectus which is separate to this document and describes the Company and provides general information about offers of shares in the Company. You should not take any action in respect of the Shares unless you have received a copy of the Prospectus. Should there be any inconsistency between the contents of the Prospectus and this Supplement, the contents of this Supplement will, to the extent of any such inconsistency, prevail. This Supplement and the Prospectus should both be carefully read in their entirety before any investment decision with respect to Shares is made.

An application has been made to Euronext Dublin ("**Euronext**") for the Class A Shares of the Fund issued and available for issue to be admitted to listing on the Official List and trading on the Regulated Market of Euronext.

Neither the admission of Shares of the Fund to listing on the Official List and to trading on the Regulated Market of Euronext nor the approval of the listing particulars pursuant to the listing requirements of Euronext shall constitute a warranty or representation by Euronext as to the competence of service providers to or any other party connected with the Fund, the adequacy of information contained in the listing particulars or the suitability of the Fund for investment purposes.

As of the date of this Supplement, the Company does not have any loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

### 1.3 Suitability of Investment

You are advised to inform yourself as to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Shares.

The Shares are not principal protected. The value of the Shares may go up or down and you may not get back the amount you have invested. See the section entitled Risk Factors of the Prospectus and the section entitled Risk Factors of this Supplement for a discussion of certain risks that should be considered by you.

An investment in the Shares is only suitable for you if you are a sophisticated investor and (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from



such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

## 1.4 Distribution of this Supplement and Selling Restrictions

Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus and is not authorised in any jurisdiction after publication of the audited annual report of the Company unless a copy of the then latest annual report and, if distributed after the semi-annual report has been produced, a copy of the then latest published semi-annual report and unaudited accounts is made available in conjunction with the Prospectus and this Supplement. The distribution of this Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. If you receive a copy of this Supplement and/or the Prospectus you may not treat such document(s) as constituting an offer, invitation or solicitation to you to subscribe for any Shares unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without compliance with any registration or other legal requirement other than those with which the Company has already complied. If you wish to apply for the opportunity to purchase any Shares it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile.

## 2 INVESTMENT OBJECTIVE AND POLICIES

### 2.1 Investment Objective

The Fund's investment objective is to replicate, before fees and expenses, the MVIS® Global Digital Assets Equity Index (the **Index**). For a further description of the Index see the section entitled **Information on the Index** below.

### 2.2 Investment Policy

In order to seek to achieve its investment objective, the Fund will use a replication strategy by investing directly in the underlying equity securities of the Index being the stock, American depository receipts (ADRs), and global depository receipts (GDRs). Such equity securities must be issued by companies who generate at least 50% of their revenues / assets from the global digital assets segment listed or traded on the Markets referred to in Appendix II of the Prospectus. For the avoidance of doubt, where the Index already holds such equity securities, the Index will seek to remove the security when the percentage of revenue generated from the global digital assets segment drops below 25% of the relevant company's revenues.

The Fund will seek the prior approval of the Central Bank should the Fund seek to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. In exceptional market circumstances, such as, but not limited to, a material price movement impacting the weighting of an underlying equity security of the Index or disruptive market conditions or extremely volatile markets, an underlying equity security of the Index which is held by the Fund may exceed the regulatory limits intra rebalancing dates which would result in the Fund seeking to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. Where it is not practical or cost efficient for the Fund to fully replicate the Index, the Manager may utilise an optimised sampling methodology and further detail in respect of this approach is set out in the section entitled Investment Approach below.

The Fund may invest up to 15% of its Net Asset Value directly in shares issued by companies listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, traded in foreign currencies and available for investment by domestic (Chinese) investors and foreign investors. For the avoidance of doubt, the Fund may invest in China H shares. China H shares are issued by issuers which are

incorporated in China and trade on the Hong Kong stock exchange. The Fund may invest more than 20% of its Net Asset Value in emerging markets.

**The Fund may also (or alternatively) invest in financial derivative instruments (FDIs) which relate to the Index or constituents of the Index.** The FDIs which the Fund may use are futures, options (puts and calls), swaps (equity swaps and swaps on the Index), currency forwards and non-deliverable forwards (a forward contract that does not require settlement on maturity) (**NDFs**). Futures and options may be used in order to equitise (use) cash balances pending investment of subscription proceeds or other cash balances held by the Fund to seek to reduce tracking error. Currency forwards and NDFs may be used to hedge currency exposures. The Fund may use FDIs as an alternative to direct investment in the constituents of the Index in order to avail of the related cost or liquidity advantages of FDIs which may, in certain circumstances, be available over the direct investment in the constituents of the Index. The Fund may also use American depository receipts (ADRs), global depository receipts (GDRs) or participation notes (**P Notes**) (which provide exposure to the Saudi Arabian or Indian market), to gain exposure to equity securities instead of using physical securities in circumstances where, due to local restrictions or quota limitations, it is not possible to hold these directly or where it is otherwise advantageous to the Fund to do so.

The Fund may also invest in ancillary liquid assets and money market instruments which may include bank deposits, depository receipts, certificates of deposit, fixed or floating rate instruments (treasury bills), commercial paper, floating rate notes and freely transferable promissory notes. The ancillary liquid assets, money market instruments and FDI (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus. Investment in ancillary liquid assets and money market instruments may be utilised in a variety of circumstances, including but not limited to, situations such as managing total exposure to cash and borrowing on a short term basis and in anticipation of participation in a rights offering.

## 2.3 Efficient Portfolio Management

Investors should note that the Fund may invest in FDIs for efficient portfolio management or hedging purposes only. The Fund may use futures, swaps and currency forwards for the purpose of reducing risk associated with currency exposures within the Fund. This may on occasions lead to an increase in risk profile of the Fund or result in a fluctuation in the expected level of volatility. Please see the section entitled **Risk Factors** in the Prospectus in relation to such risks.

The Fund will employ the commitment approach to assess the Fund's global exposure and to ensure that the Fund's use of derivative instruments is within the limits specified by the Central Bank. Global exposure will be calculated daily. While the Fund may be leveraged through the use of the FDIs, any such leverage will not exceed 100% of the Fund's Net Asset Value.

Investment in FDIs is subject to the conditions and limits contained in the CBI UCITS Regulations. Subject to these limits, the Fund may invest in FDIs dealt on any of the regulated markets set out in the list of Markets in Appendix II to the Prospectus (and/or over the counter FDIs (OTCs)) which will be used for investment, efficient portfolio management and/or for hedging purposes.

The Company employs a risk management process which enables it to accurately measure, monitor and manage at any time the various risks associated with FDIs and their contribution to the overall risk profile of the portfolio of assets of the Fund. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments. The Fund will only invest in FDIs in accordance with the risk management policy prepared and submitted to the Central Bank in accordance with the Central Bank requirements.

The Fund may invest in FDIs dealt OTC provided that the counterparties to OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

Position exposure to the underlying assets of FDIs or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the CBI UCITS Regulations.

In addition, the Fund may enter into stocklending, repurchase and reverse repurchase agreements for efficient portfolio management purposes only subject to the conditions and the limits set out in the CBI UCITS Regulations. Investors are referred to the section entitled **Use of Financial Derivative Instruments and Efficient Portfolio Management** in the Prospectus.

## 2.4 Securities Financing Transactions

While the Company may enter into securities financing transactions and repurchase agreements (**SFTs**) (as defined under Article 3 (11) of Regulation (EU) 2015/2365) (the SFTR), it is not anticipated that the Fund will enter into any SFTs. However, in the event that the Fund contemplates entering into such transactions, investors will be provided with further details of the structure and use of such transactions, together with any other information required to be disclosed to investors in accordance with Articles 13 and 14 of the SFTR. The Supplement will be updated accordingly in the event that the Fund will enter into any SFTs.

## 3 INVESTMENT APPROACH

In order to seek to achieve its investment objective, the investment policy of the Fund is to use a replication strategy by investing directly in the underlying equity securities that consists of the component securities of the Index. The Fund will be 'passively' managed.

Where full replication is not possible, the Fund will invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities that generally replicate the Index. However, under various circumstances, it may not be practicable and possible to invest in such equity securities in proportion to their weightings in the Index. It is not expected that the Fund would invest in securities outside the Index under normal circumstances. In extraordinary circumstances the Fund may use such other techniques including, but not limited to, representative or "optimised" sampling to gain access to stocks which provide economic characteristics similar to the security in the Index. There also may be instances, for example if one or more securities are suspended from trading or in situations where the Fund is forced to liquidate particular securities, in which the Manager may choose to overweight a security in the Index, purchase securities not in the Index which the Manager believes are appropriate to substitute for certain securities in the Index or utilise other investment techniques in seeking to replicate, before fees and expenses, the price and yield performance of the Index. The Fund may sell securities that are represented in the Index in anticipation of their removal from the Index or purchase securities not represented in the Index in anticipation of their addition to the Index.

Anticipated tracking error is based on the expected volatility of differences between the returns of the Fund and the returns of the Index. For a physically replicating ETF, one of the primary drivers of tracking error is the difference between the Fund's holdings and index constituents. Cash management, trading costs from rebalancing and withholding tax or stamp duty suffered by the Fund on any income received from its Investments can also have an impact on tracking error as well as the return differential between the ETF and the benchmark index. The impact can be either positive or negative depending on the underlying circumstances. The anticipated tracking error of the Fund is not a guide to its future performance. The annualised tracking error envisaged is not anticipated to exceed 1.50 % under normal market conditions.

## 4 INFORMATION ON THE INDEX

The Index is a global index that aims to track the performance of the global digital assets segment. The Index includes companies with at least 50% (25% for current components) of their revenues from digital assets projects or projects that have the potential to generate at least 50% of their revenues / assets from the digital assets industry when developed. These companies may include those that operate digital asset exchanges, payment gateways, mining operations, software services, equipment and technology or services to the digital assets industry, digital asset infrastructure businesses, or companies facilitating commerce with the use of digital assets. They may also include those which own a material amount of digital assets, or otherwise generate revenues related to digital asset operations. These companies are defined as '**Digital Assets Stocks**'.

The Index employs a capping scheme to ensure diversification. All companies are ranked by their free-float market capitalisation. The maximum weight for any single stock is 8%. If a stock exceeds the maximum weight, then the weight will be reduced to the maximum weight and the excess weight shall be redistributed proportionally across all other Index constituents. This process is repeated until no stocks have weights exceeding the respective maximum weight. The 8%-cap weighting scheme will be applied to the largest stocks and the excess weight after each step shall be redistributed across all other (uncapped) stocks in the Index on a proportional basis:

- If the largest two stocks exceed 8%, both will be capped at 8%.
- If the 3rd largest stock exceeds 7%, it will be capped at 7%.
- If the 4th largest stock exceeds 6.5%, it will be capped at 6.5%.
- If the 5th largest stock exceeds 6%, it will be capped at 6%.
- If the 6th largest stock exceeds 5.5%, it will be capped at 5.5%.
- If the 7th largest stock exceeds 5%, it will be capped at 5%.
- If any other stock exceeds 4.5%, it will be capped at 4.5%.

In case the aggregated weight of all Index components with less than 50% exposure to Digital Assets Stocks exceeds 20%, a weighting cap factor will be applied to ensure the aggregated weight of such Index components does not exceed 20%. The excess weight shall be proportionally redistributed among the uncapped index components with more than 50% exposure to Digital Assets Stocks.

The Index components are reviewed on a quarterly basis based on the closing data on the last business day in February, May, August and November. If a company does not trade on the last business day in February, May, August or November, the last available price for this company will be used during the review process. The underlying index data (e.g. new number of shares, new free-float factors and new weighting cap factors) is announced on the second Friday in a quarter-end month (i.e. March, June, September and December). The weighting cap factors are based on closing data of the Wednesday prior to the second Friday in a quarter-end month (i.e. March, June, September and December).

Changes to the Index will be implemented and based on the closing prices of the third Friday of every quarter-end month (i.e. March, June, September and December). If the third Friday is not a business day, the review will take place on the last business day before the third Friday. If a company does not trade on the third Friday of a quarter-end month, then the last available price for this company will be used. Changes become effective on the next business day.

The target coverage of the Index is at least 90% of the free-float market capitalisation of the investable universe with at least 20 companies.

The following steps will be followed and form the Index review procedure:

1. All Digital Assets Stocks in the investable universe are sorted in terms of free-float market capitalisation in descending order
2. Stocks covering the top 85% of the free-float market capitalisation of the investable universe qualify for selection.
3. Existing components between the 85th and 98th percentiles also qualify for the Index.
4. If the coverage is still below 90% or the number of components in the Index is still below 20, the largest remaining stocks will be selected until coverage of at least 90% is reached and the number of stocks equals 20.
5. In case the number of eligible companies is below 20, additional companies are added by the Index Provider's decision until the number of stocks equals 20.

For all corporate events that result in a stock deletion from the Index, the deleted stock will be replaced with the highest ranked non-component on the most recent selection list immediately only if the number of components in the Index would drop below 20. The replacement stock will be added at the same weight as the deleted stock. Only in case the number of components drops below its minimum due to a merger of two or more index components, the replacement stock will be added with its uncapped free-float market capitalisation weight. In all other cases, i.e. there is no replacement, the additional weight resulting from the deletion will be redistributed proportionally across all other index constituents.

## 5 INDEX PROVIDER

The Index is published by MarketVector Indexes™ GmbH (the "**Index Provider**"), an affiliated company of the Manager. The Index Provider has contracted with Solactive AG to maintain and calculate the Index. The Index Provider does not sponsor, endorse, or promote the Fund and bears no liability with respect to the Fund or any security. The Index Provider will notify the Fund of material errors in the Index via the Index Provider's website.

In accordance with Central Bank requirements, the Company is required to provide details of the Index Provider's website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company has no responsibility for the Index Provider's website and is not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof. Further information in relation to the Index may be found on the Index Provider's website, <https://marketvector.com/>.

## 6 INVESTMENT RESTRICTIONS

The general investment restrictions as set out in the Prospectus shall apply. The Fund may not invest more than 10% of its Net Asset Value in open-ended collective investment schemes.

The Fund may not invest less than 51% of its Net Asset Value in equity securities which constitute "equity participation" within the meaning of section 2, Article 8 of the German Investment Tax Act (Investmentsteuergesetz). Equity participation in this context consists of shares in corporations traded or admitted for trading on a regulated market or multilateral trading facility (MTF) considered as such by the European Securities and Markets Authority (ESMA). The actual equity participation ratios of target investment funds can be taken into account.

There may be instances where the weighting of any constituent security of the Index could cause the Fund to breach the investment restrictions set out in the Prospectus. If such an event occurs, it is intended that the Fund will purchase other assets, the effect of which will seek to maintain, so far as is possible, the same economic exposure to and the same weighting of the security of that issuer in the Index without breaching its investment restrictions.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders.

## 7 BORROWING

The Fund may borrow money in an amount up to 10% of the market value of its net assets at any time for the account of any Fund and the Depositary may charge the assets of the Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Fund may acquire currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of the Regulations provided that the offsetting deposit is denominated in the Base Currency of the Fund and equals or exceeds the value of the foreign currency loan outstanding.

## 8 RISK FACTORS

The general risk factors as set out in the section entitled **Risk Factors** in the Prospectus apply.

Investors in the Fund should be willing to accept a high degree of volatility in the price of the Fund's Shares and the possibility of significant losses. An investment in the Fund involves a substantial degree of risk. Therefore, you are advised to consider carefully the following risks before investing in the Fund.

An investment in the Fund may be subject to risks which include, among others, material transaction cost from rebalancing activity and fluctuations in the value of securities held by the Fund due to market and economic conditions or factors relating to specific issuers.

The value of investments and the income from them, and therefore the value of and income from the Shares can go down as well as up and an investor may not get back the amount invested. The Fund's exposure is based on the performance of the Index securities which, in turn, is exposed to general market movements (negative as well as positive).

Certain additional risks may also be associated with the Fund, including, without limitation:

### 8.1 Risk of Investing in Digital Asset Companies

The technology relating to digital assets, including blockchain, is new and developing and the risks associated with digital assets may not fully emerge until the technology is widely used. Blockchain technology is used by companies to optimize their business practices, whether by using the technology within their business or operating business lines involved in the operation of the technology. The cryptographic keys necessary to transact a digital asset on a blockchain may be subject to theft, loss, or destruction, which could adversely affect a company's business or operations if it were dependent on the blockchain. Competing platforms and technologies may be developed such that consumers or investors use an alternative to digital assets. Currently, there are relatively few companies for which digital assets represents an attributable and significant revenue stream. Therefore, the values of the companies included in the Index may not be a reflection of their connection to digital assets but may be based on other business operations. These companies also may not be able to develop blockchain technology applications or may not be able to capitalize on those technologies. Blockchain technology

also may never be implemented to a scale that provides identifiable economic benefit to the companies included in the Index, which could adversely affect an investment in the Fund. Companies that use blockchain technology may be subject to cybersecurity risk. In addition, certain features of blockchain technology, such as decentralization, open-source protocol, and reliance on peer-to-peer connectivity, may increase the risk of fraud or cyber-attack by potentially reducing the likelihood of a coordinated response. A significant disruption of Internet connectivity affecting large numbers of users or geographic areas could impede the functionality of blockchain technology and adversely affect companies included in the Index. Digital asset companies may be subject to the risks posed by conflicting intellectual property claims, which may reduce confidence in the viability of a digital asset. There may be risks posed by the lack of regulation for digital assets and any future regulatory developments could affect the viability and expansion of the use of digital assets. Because digital asset platforms may operate across many national boundaries and regulatory jurisdictions, it is possible that digital asset platforms may be subject to widespread and inconsistent regulation. Blockchain systems built using third party products may be subject to technical defects or vulnerabilities beyond a company's control. Because many digital assets do not have a standardized exchange, like a stock market, there is less liquidity for such assets and greater possibility of volatility, fraud or manipulation.

## **8.2 Risk of Investing in the Information Technology Sector**

The information technology sector includes software developers, providers of information technology consulting and services and manufacturers and distributors of computers, peripherals, communications equipment and semiconductors. Information technology companies face intense competition, both domestically and internationally, which may have an adverse effect on profit margins. Information technology companies may have limited product lines, markets, financial resources or personnel. The products of information technology companies may face product obsolescence due to rapid technological developments and frequent new product introduction, unpredictable changes in growth rates and competition for the services of qualified personnel. Companies in the information technology sector are heavily dependent on patent protection and the expiration of patents may adversely affect the profitability of these companies.

## **8.3 Risk of Investing in the Financial Services Sector**

Companies in the financial services sector may be subject to extensive government regulation that affects the scope of their activities, the prices they can charge and the amount of capital they must maintain. The profitability of companies in the financial services sector may be adversely affected by increases in interest rates, by loan losses, which usually increase in economic downturns, and by credit rating downgrades. In addition, the financial services sector is undergoing numerous changes, including continuing consolidations, development of new products and structures and changes to its regulatory framework. Furthermore, some companies in the financial services sector perceived as benefitting from government intervention in the past may be subject to future government-imposed restrictions on their businesses or face increased government involvement in their operations. Increased government involvement in the financial services sector, including measures such as taking ownership positions in financial institutions, could result in a dilution of each Fund's investments in financial institutions. Recent developments in the credit markets may cause companies operating in the financial services sector to incur large losses, experience declines in the value of their assets and even cease operations.

## **8.4 Risk of Investing in Small- and Medium-Capitalisation Companies**

The securities of small- and medium-capitalisation companies may be more volatile and less liquid than the securities of large companies. As securities of small- and medium-capitalisation companies may experience more market price volatility than securities of larger companies, the net asset value of any fund which invests in small- and medium-capitalisation companies (such as the Fund) may reflect this

volatility. Small- and medium-capitalisation companies, when compared with larger companies, may have a shorter history of operations, fewer financial resources, less competitive strength, may have a less diversified product line, may be more susceptible to market pressure and may have a smaller market for their securities. Investment in small- and medium-capitalisation companies may involve comparatively higher investment costs and accordingly investment in the Fund should be viewed as a long term investment. The Fund may however dispose of an investment made by it within a relatively short period of time, for example, to meet requests for redemption of Shares.

## **8.5 Foreign Currency Risk**

In the event that the Fund's assets are invested in securities denominated in currencies other than the Base Currency, all or a portion of the proceeds received by the Fund from its investments and/or the revenues received from such underlying issuer will generally not be in the Base Currency. The Fund's exposure to foreign currencies and changes in the value of foreign currencies versus the Base Currency may result in reduced returns for the Fund. Moreover, the Fund may incur costs in connection with conversions between the Base Currency and foreign currencies. The value of an emerging market country's currency may be subject to a high degree of fluctuation. This fluctuation may be due to changes in interest rates, investors' expectations concerning inflation and interest rates, the emerging market country's debt levels and trade deficit, the effects of monetary policies issued by foreign governments, central banks or supranational entities, the imposition of currency controls or other national or global political or economic developments. The economies of certain emerging market countries can be significantly affected by currency devaluations. Certain emerging market countries may also have managed currencies which are maintained at artificial levels relative to the Base Currency rather than at levels determined by the market. This type of system could lead to sudden and large adjustments in the currency, which in turn, can have a negative effect on the Fund and its investments.

## **8.6 Special Risk Considerations of Investing in Canadian Issuers**

Investments in securities of Canadian issuers, involve risks and special considerations not typically associated with investments in the European securities markets. The Canadian economy is very dependent on the demand for, and supply and price of, natural resources. The Canadian market is relatively concentrated in issuers involved in the production and distribution of natural resources. There is a risk that any changes in natural resources sectors could have an adverse impact on the Canadian economy. Additionally, the Canadian economy is heavily dependent on relationships with certain key trading partners, including the United States, countries in the European Union and China. Because the United States is Canada's largest trading partner and foreign investor, the Canadian economy is dependent on and may be significantly affected by the U.S. economy. Trade agreements may further increase Canada's dependency on the U.S. economy. Uncertainty as to the future of such trade agreements may cause a decline in the value of the Fund's Shares. Past periodic demands by the Province of Quebec for sovereignty have significantly affected equity valuations and foreign currency movements in the Canadian market and such demands may continue to have this effect in the future. In addition, certain sectors of Canada's economy may be subject to foreign ownership limitations. This may negatively impact the Fund's ability to invest in Canadian issuers and to track the Index.

## **8.7 Risk of Investing in Emerging Market Issuers**

Investments in securities of emerging market issuers are exposed to a number of risks that may make these investments volatile in price or difficult to trade. Emerging markets are more likely than developed markets to experience problems with the clearing and settling of trades, as well as the holding of securities by local banks, agents and depositories. Political risks may include unstable governments, nationalization, restrictions on foreign ownership, laws that prevent investors from getting their money



out of a country and legal systems that do not protect property rights as well as the laws in developed countries. Market risks may also include economies that concentrate in only a few industries, securities issues that are held by only a few investors, liquidity issues and limited trading capacity in local exchanges and the possibility that markets or issues may be manipulated by foreign nationals who have inside information.

#### **8.8 Risk of Issuer-Specific Changes**

The value of individual securities or particular types of securities in the Fund's portfolio can be more volatile than the market as a whole and can perform differently from the value of the market as a whole, which may have a greater impact if the Fund's portfolio is concentrated in a country, group of countries, region, market or asset class. The value of securities of smaller issuers can be more volatile than that of larger issuers. A change in the financial condition, market perception or the credit rating of an issuer of securities included in the Index may cause the value of its securities to decline.

#### **8.9 Liquidity Risk**

The Company provides daily liquidity. Under normal circumstances, all positions can be sold within a very short period of time without realising significant losses. However, unforeseen circumstances can give rise to abnormal conditions which could cause the Company to face liquidity risk. It could be unable to sell its positions as a result. The degree to which the securities in which the Fund invests can be traded affects the height of the actual buy and sell prices. This could mean that securities cannot be sold or can only be sold at a substantially lower price than the valuation assigned and the Fund may be unable to free up adequate funds to satisfy its purchase obligations. The bid/ask prices can deviate from the asset value of the share in the Fund, as a result of which the performance may deviate from that of the underlying Index or Indices, certainly in the event of limited liquidity on the market. To limit this risk, investments are only made in listed securities. In exceptional circumstances, if the purchase of shares in the Company is suspended for instance, there could be a risk that the investor may be unable to sell their investment at the desired moment or for a reasonable price. Given the open-ended character of the Company, it could be confronted with a high number of exits which would mean investments would have to be liquidated under potentially unfavourable conditions. This would negatively impact the value of the share. As described in this Prospectus, the purchase of shares may be (temporarily) suspended under certain circumstances.

#### **8.10 Limited Diversification Risk**

The Fund may invest a relatively high percentage of its assets in a smaller number of issuers or may invest a larger proportion of its assets in a single issuer. As a result, the gains and losses on a single investment may have a greater impact on the Fund's Net Asset Value and may make the Fund more volatile than more diversified funds.

#### **8.11 Concentration Risk**

The Fund's assets may be concentrated in a particular sector or sectors or industry or group of industries to the extent the Index concentrates in a particular sector or sectors or industry or group of industries. Accordingly, the Fund may be subject to the risk that economic, political or other conditions that have a negative effect on a particular industry or sector will negatively impact the Fund to a greater extent than if the Fund's assets were invested in a wider variety of sectors or industries.

The Fund may be particularly vulnerable to this risk because the Index is comprised of securities of a very limited number of issuers. The Fund's assets may be concentrated in a small number of stocks and/or may be concentrated in particular sectors which may subject the Fund to more risk than investments in a diverse group of companies and sectors.

## 9 Dividend Policy

It is not proposed that the Directors will declare a dividend in respect of the Fund. Full details of any change to the Fund's dividend policy will be provided in an updated Supplement and all Shareholders will be notified in advance.

## 10 Key Information for Purchasing and Selling

|                         |   |
|-------------------------|---|
| <b>Base Currency</b>    | US Dollar (USD)   |
| <b>Business Day</b>     | means every day other than a Saturday or Sunday (or such other day(s) as the Directors may from time to time determine and notify in advance to Shareholders).  |
| <b>Dealing Day</b>      | In general, each Business Day will be a Dealing Day. However, certain Business Days will not be Dealing Days where, in the sole determination of the Manager: (i) markets on which the Fund's investments are listed or traded, or markets relevant to the Index are closed, and/or (ii) there is a public holiday in the jurisdiction in which the Manager or its delegate(s), if applicable, is or are based; provided there is at least one Dealing Day per fortnight. The Dealing Days for the Fund are available at <a href="http://www.vaneck.com">www.vaneck.com</a> . |
| <b>Dealing Deadline</b> | 4:00 p.m. (Irish time) on the Business Day prior to the relevant Dealing Day.   |
| <b>Settlement Date</b>  | In the case of subscription(s), within 2 Business Days of the relevant Dealing Day.<br><br>In the case of repurchases, within 3 Business Days of the relevant Dealing Day.  |
| <b>Valuation Point</b>  | 11:00 p.m. (Irish time) on the relevant Dealing Day.  |
| <b>Website</b>          | Information on portfolio composition and details of intra-day portfolio value ( <b>iNAV</b> ) are set out on the website - <a href="http://www.vaneck.com">www.vaneck.com</a>   |

### Description of the Shares

|                             |   |
|-----------------------------|---|
| <b>Share Class</b>          | A   |
| <b>ISIN</b>                 | IE00BMDKNW35  |
| <b>Initial Offer Period</b> | The Initial Offer Period shall commence at 9:00 a.m. (Irish time) 15 April 2021 and close at 5.00 p.m. (Irish time) on 14 October 2021 as may be shortened or extended by the Directors and notified to the Central Bank. |

|                                     |  |
|-------------------------------------|--|
| <b>Initial Price</b>                | Approximately USD 20, plus an appropriate provision for Duties and Charges, or such other amount as determined by the Manager and communicated to investors prior to investment. |
| <b>Creation Unit</b>                | 50,000 Shares or such other amount as may be determined by the Directors at their discretion.  |
| <b>Minimum Initial Subscription</b> | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Initial Subscription.  |
| <b>Minimum Holding</b>              | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Holding.   |

## 11 CHARGES AND EXPENSES

The following fees and expenses will be incurred by the Company on behalf of the Fund and will affect the Net Asset Value of the relevant Class of Share of the Fund:

|                    |   |
|--------------------|---|
| <b>Share Class</b> | A   |
| <b>Total Fee</b>   | Up to 0.65% per annum or such lower amount as may be advised to Shareholders from time to time. |

The Total Fee, a percentage of the Net Asset Value of the relevant Class of Shares (plus VAT, if any), is payable by the Company out of the Fund Assets to the Manager. The Total Fee will accrue on each day and will be calculated on each Dealing Day and paid monthly in arrears. The Total Fee will cover all of the ordinary fees, operating costs and expenses payable by the Fund including fees and expenses paid to the Manager, all ordinary costs and expenses connected with the management and operating activities of the Fund, including investment management and advisory fees, Director's fees, registration, transfer agency, administration and custody fees, registrar fees, regulators and auditors and certain legal expenses of the Company. The Total Fee does not include extraordinary costs and expenses (including but not limited to transaction charges, stamp duty or other taxes on the investments of the Company including duty charges for portfolio re-balancing, withholding taxes, commissions and brokerage fees incurred with respect to the Company's investments, interest on any non-overdraft credit facility and charges incurred in negotiating, effecting or varying the terms of such facility, any commissions charged by intermediaries in relation to an investment in the Fund and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the Company all of which will be paid separately out of the assets of the Fund). The cost of establishing the Fund will be borne by the Manager.

This section entitled **Charges and Expenses** should be read in conjunction with the sections entitled **General Charges and Expenses** and **Management Charges and Expenses** in the Prospectus.

## 12 REGISTRATION FOR PUBLIC DISTRIBUTION AND LISTING

Application is expected to be made to register the Fund for public distribution in various countries.

Application will be made to list the Shares on Euronext and other stock exchanges. Through the operation of such a secondary market, persons who are not Authorised Participants or not able or willing

to subscribe for and redeem Creation Units will be able to buy Shares from or sell Shares to other retail investors or market makers, broker/dealers, or other Authorised Participants at prices which should approximate, after currency conversion, the Net Asset Value of the Shares.

## 13 HOW TO BUY AND SELL SHARES

Investors can buy and sell Shares on the secondary market as described above in accordance with the procedures set out in the section entitled **Secondary Market** in the Prospectus.

Investors can otherwise subscribe for or redeem Creation Units in accordance with the procedures set out in the Prospectus.

## 14 SUSTAINABLE FINANCE DISCLOSURE

The Manager has categorised the Fund as meeting the provisions set out in Article 6 of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector ("**SFDR**") and does not follow a dedicated ESG investment strategy. The Fund does not have sustainable investment as its investment objective, nor does it promote environmental or social characteristics.

### **Sustainability risks**

Sustainability risk is the risk that the value of an investment will decline as a result of an environmental, social or governance (ESG) event or circumstance. Ecological events include climate change, scarcity of natural resources and pollution. Social events may include labour issues and product liability. Governance can include themes such as shareholder rights, business ethics, diversity and executive remuneration. Sustainability risks can arise in all kinds of forms. With regard to the theme of climate, for example, there is a distinction between transition risks and physical risks, whereby transition risks can be divided into legal and regulatory risks, technological risks, market risks and reputation risks. In addition, the impact of sustainability risk has various scopes, including company-specific, sector-specific and on country level. The occurrence of a sustainability risk results in other (financial) risks manifesting. This can negatively affect the value of the investment.

Concrete examples of sustainability risks for the Fund are: a company has an overly generous remuneration policy or a remuneration policy that is inconsistent with the interests of the shareholders. Also, a company's reputation can deteriorate as a result of negative publicity about an environmental or labour issue that can cause the value of its stock to decline. The expected impact of sustainability risks on the return depends on the type of sustainability risk that materializes. For developed and emerging markets equity portfolios, this expected impact is generally viewed as significant.

### **Sustainability risk integration features**

The Fund has a passive investment policy whereby the Fund aims to follow the Index as closely as possible. The relevant Index has no specific sustainability characteristics. The Fund therefore does not have any specific sustainability characteristics as well.

The Manager applies the following measures to integrate sustainability risks for this Fund:

### **Exclusions**

Exclusions apply to this Sub-Fund as further outlined in section 10 of the Prospectus.

## Voting

The Manager can exercise his voting rights at shareholders' meetings, according to the Proxy Voting Policy. To assist in its responsibility for voting proxies and the overall voting process, the Manager has engaged an independent third party proxy voting specialist, Glass Lewis Europe Limited, which takes also Environmental, Social and Governance factors into account when casting votes.

In particular, the Glass Lewis ESG voting policy is applied:

- On the Environmental side, within others, measures in favour of increased disclosure of a company's environmental risk through company-specific disclosure as well as compliance with international environmental conventions and adherence to environmental principles will be supported. Similarly, the ESG Policy will support proposals requesting companies develop greenhouse gas emissions reduction goals, comprehensive recycling. The ESG Policy will evaluate a company's impact on the environment, in addition to the regulatory risk a company may face by not adopting environmentally responsible policies. Further, the ESG Policy will consider voting against directors for not appropriately overseeing environmental risk.
- On the Social side, the ESG Policy will support several proposals, including but not limited to requesting that a company develop sustainable business practices, such as animal welfare policies, human rights policies, and fair lending policies. Furthermore, the ESG Policy will also generally support enhancing the rights of workers, as well as considering the communities and broader constituents in the areas in which companies do business.
- On the Governance side, the ESG Policy supports, within other aspects, increased shareholder participation and access to a company and its board of directors. Accordingly, the ESG Policy will vote in favour of initiatives that seek to enhance shareholder rights, such as the introduction of majority voting to elect directors, the adoption and amendment of proxy access bylaws, the elimination/reduction of supermajority provisions, the declassification of the board, the submission of shareholder rights' plans to a shareholder vote, and the principle of one share, one vote.

## Engagement

The Manager appointed a third-party engagement specialist, Glass Lewis Europe Limited, for the passive equity funds managed by VanEck Asset Management B.V. The engagement provider determines the engagement approach in accordance with its engagement policy and based on its engagements' priorities.

## Taxonomy Regulation Disclosure

The underlying investments of the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

## 15 OTHER INFORMATION

New Funds may be created from time to time by the Directors with the prior approval of the Central Bank in which case further Supplements incorporating provisions relating to those Funds will be issued by the Company.

The names of the Funds currently approved by the Central Bank are listed in the Global Addendum.

## SCHEDULE 1

### Disclaimer

The Index is the exclusive property of MarketVector Indexes GmbH ("**MarketVector**"), a wholly owned subsidiary of the Manager, which has contracted with Solactive AG to maintain and calculate the Index. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards MarketVector, Solactive AG has no obligation to point out errors in the Index to third parties. The Fund is not sponsored, endorsed, sold or promoted by MarketVector and MarketVector makes no representation regarding the advisability of investing in the Fund. The Index is calculated weekdays between 01:00 and 22:40 (CET) and the Index values are disseminated to data vendors every 15 seconds on days when the US equity market is open for trading. The Index is disseminated in USD.

In accordance with Central Bank requirements, the Company and the Fund are required to provide details of the Index Provider's website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company and the Funds have no responsibility for the Index Provider's website and are not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof.

The indicative optimised portfolio value/intra-day portfolio value is calculated by S&P Global Ltd.

**VANECK UCITS ETFs plc**

**Supplement dated 20 June 2025**

**for**

**VanEck Rare Earth and Strategic Metals UCITS ETF**

This Supplement contains specific information in relation to the **VanEck Rare Earth and Strategic Metals UCITS ETF** (the **Fund**), a sub-fund of VanEck UCITS ETFs plc (the **Company**), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank pursuant to the Regulations.

**This Supplement forms part of, may not be distributed unless accompanied by (other than to prior recipients of the Prospectus of the Company dated 20 December 2024, as may be amended, supplemented, or modified from time to time), and should be read in conjunction with the Prospectus for the Company.**

THIS DOCUMENT IS IMPORTANT. YOU SHOULD NOT PURCHASE SHARES IN THE FUND DESCRIBED IN THIS SUPPLEMENT UNLESS YOU HAVE ENSURED THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT AND THE RISKS INVOLVED AND ARE SATISFIED THAT THE INVESTMENT IS SUITED TO YOUR CIRCUMSTANCES AND OBJECTIVES, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU ARE RECOMMENDED TO TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR.

The Directors of the Company whose names appear in the section entitled **Directors of the Company** in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

**Shares purchased on the secondary market cannot usually be sold directly back to the Fund. Investors must buy and sell Shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value when buying Shares and may receive less than the current Net Asset Value per Share when selling them.**

**An investment in the Fund, whose securities comprise holdings in emerging markets should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors.**

Certain risks attached to investments in the Fund are set out in the Prospectus in the section entitled Risk Factors.

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## **1 IMPORTANT INFORMATION**

### **1.1 Profile of a typical investor**

A typical investor is expected to be an informed investor who is able to bear capital and income risk, and should view investment in the Fund as a medium to long term investment. A typical investor is expected to be an investor who wishes to take exposure to the markets covered by the Fund's investment policy and is prepared to accept the risks associated with an investment of this type, including the volatility of such market.

### **1.2 General**

This Supplement sets out information in relation to the Shares and the Fund. You must also refer to the Prospectus which is separate to this document and describes the Company and provides general information about offers of shares in the Company. You should not take any action in respect of the Shares unless you have received a copy of the Prospectus. Should there be any inconsistency between the contents of the Prospectus and this Supplement, the contents of this Supplement will, to the extent of any such inconsistency, prevail. This Supplement and the Prospectus should both be carefully read in their entirety before any investment decision with respect to Shares is made.

The Shares of the Fund have been admitted to listing on the Official List and trading on the Regulated Market of Euronext Dublin. This Supplement together with the Prospectus includes all information required to be disclosed by Euronext Dublin listing requirements and comprise listing particulars for the purpose of listing the Shares of the Fund on Euronext Dublin.

Neither the admission of Shares of the Fund to listing on the Official List and to trading on the Regulated Market of Euronext nor the approval of the listing particulars pursuant to the listing requirements of Euronext shall constitute a warranty or representation by Euronext as to the competence of service providers to or any other party connected with the Fund, the adequacy of information contained in the listing particulars or the suitability of the Fund for investment purposes.

As of the date of this Supplement, the Company does not have any loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

### **1.3 Suitability of Investment**

You are advised to inform yourself as to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Shares.

The Shares are not principal protected. The value of the Shares may go up or down and you may not get back the amount you have invested. See the section entitled Risk Factors of the Prospectus and the section entitled Risk Factors of this Supplement for a discussion of certain risks that should be considered by you.

An investment in the Shares is only suitable for you if you are a sophisticated investor and (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from

such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

## **1.4 Distribution of this Supplement and Selling Restrictions**

Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus and is not authorised in any jurisdiction after publication of the audited annual report of the Company unless a copy of the then latest annual report and, if distributed after the semi-annual report has been produced, a copy of the then latest published semi-annual report and unaudited accounts is made available in conjunction with the Prospectus and this Supplement. The distribution of this Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. If you receive a copy of this Supplement and/or the Prospectus you may not treat such document(s) as constituting an offer, invitation or solicitation to you to subscribe for any Shares unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without compliance with any registration or other legal requirement other than those with which the Company has already complied. If you wish to apply for the opportunity to purchase any Shares it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile.

## **2 INVESTMENT OBJECTIVE AND POLICIES**

### **2.1 Investment Objective**

The Fund's investment objective is to replicate, before fees and expenses, the MVIS® Global Rare Earth/Strategic Metals Index (the **Index**). For a further description of the Index see the section entitled Information on the Index below.

### **2.2 Investment Policy**

In order to seek to achieve its investment objective, the Manager will use a replication strategy by investing directly in the underlying equity securities of the Index being the stock, American depository receipts (ADRs), and global depository receipts (GDRs). Such equity securities must be issued by companies listed or traded on the Markets referred to in Appendix II of the Prospectus who generate at least 50% of their revenues from rare earth / strategic metals or companies that generate at least 50% of their revenues from rare earth / strategic metals through mining mineral resources. For the avoidance of doubt, where the Index already holds such equity securities, the Index will seek to remove the security when the percentage of revenue generated from the rare earth / strategic metals companies drops below 25% of the relevant company's revenues.

The Fund will seek the prior approval of the Central Bank should the Fund seek to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. In exceptional market circumstances, such as, but not limited to, a material price movement impacting the weighting of an underlying equity security of the Index or disruptive market conditions or extremely volatile markets, an underlying equity security of the Index which is held by the Fund may exceed the regulatory limits intra rebalancing dates which would result in the Fund seeking to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. Where it is not practical or cost efficient for the Fund to fully replicate the Index, the Manager may utilise an optimised sampling methodology and further detail in respect of this approach is set out in the section entitled Investment Approach below.

The Fund may invest up to 60% of its Net Asset Value directly in shares issued by companies listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange. For the avoidance of doubt, the Fund may invest in China A (via Stock Connect), China B and China H shares. China A and China B shares

are issued by issuers incorporated in China, which trade on the Shanghai and Shenzhen exchanges, China A are quoted in domestic currency (RMB) and China B are quoted in foreign currencies (such as USD) and are open to foreign investors. China H shares are issued by issuers which are incorporated in China and trade on the Hong Kong stock exchange.

**The Fund may invest more than 20% of its Net Asset Value in emerging markets and may also (or alternatively) invest in financial derivative instruments (FDIs) which relate to the Index or constituents of the Index.** The FDIs which the Fund may use are futures, options (puts and calls) swaps (equity swaps and swaps on the Index), currency forwards and non-deliverable forwards (a forward contract that does not require settlement on maturity) (NDFs). Futures and options may be used in order to equitise (use) cash balances pending investment of subscription proceeds or other cash balances held by the Fund to seek to reduce tracking error. Currency forwards and NDFs may be used to hedge currency exposures. The Fund may use FDIs as an alternative to direct investment in the constituents of the Index in order to avail of the related cost or liquidity advantages of FDIs which may, in certain circumstances, be available over the direct investment in the constituents of the Index. The Fund may also use American depository receipts (ADRs), global depository receipts (GDRs) or participation notes (P Notes) (which provide exposure to the Saudi Arabian or Indian market), to gain exposure to equity securities instead of using physical securities in circumstances where, due to local restrictions or quota limitations, it is not possible to hold these directly or where it is otherwise advantageous to the Fund to do so.

The Fund may also invest in ancillary liquid assets and money market instruments which may include bank deposits, depository receipts, certificates of deposit, fixed or floating rate instruments (treasury bills), commercial paper, floating rate notes and freely transferable promissory notes. The ancillary liquid assets, money market instruments and FDI (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus. Investment in ancillary liquid assets and money market instruments may be utilised in a variety of circumstances, including but not limited to, situations such as managing total exposure to cash and borrowing on a short term basis and in anticipation of participation in a rights offering.

## **2.3 Efficient Portfolio Management**

Investors should note that the Fund may invest in FDIs for efficient portfolio management or hedging purposes only. The Fund may use futures, swaps and currency forwards for the purpose of reducing risk associated with currency exposures within the Fund. This may on occasions lead to an increase in risk profile of the Fund or result in a fluctuation in the expected level of volatility. Please see the section entitled Risk Factors in the Prospectus in relation to such risks.

The Fund will employ the commitment approach to assess the Fund's global exposure and to ensure that the Fund's use of derivative instruments is within the limits specified by the Central Bank. Global exposure will be calculated daily. While the Fund may be leveraged through the use of the FDIs, any such leverage will not exceed 100% of the Fund's Net Asset Value.

Investment in FDIs is subject to the conditions and limits contained in the CBI UCITS Regulations. Subject to these limits, the Fund may invest in FDIs dealt on any of the regulated markets set out in the list of Markets in Appendix II to the Prospectus (and/or over the counter FDIs (OTCs)) which will be used for investment, efficient portfolio management and/or for hedging purposes.

The Company employs a risk management process which enables it to accurately measure, monitor and manage at any time the various risks associated with FDIs and their contribution to the overall risk profile of the portfolio of assets of the Fund. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of

the main categories of investments. The Fund will only invest in FDIs in accordance with the risk management policy prepared and submitted to the Central Bank in accordance with the Central Bank requirements.

The Fund may invest in FDIs dealt OTC provided that the counterparties to OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

Position exposure to the underlying assets of FDIs or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the CBI UCITS Regulations.

In addition, the Fund may enter into stocklending, repurchase and reverse repurchase agreements for efficient portfolio management purposes only subject to the conditions and the limits set out in the CBI UCITS Regulations. Investors are referred to the section entitled Use of Financial Derivative Instruments and Efficient Portfolio Management in the Prospectus.

## **2.4 Securities Financing Transactions**

While the Company may enter into securities financing transactions and repurchase agreements (SFTs) (as defined under Article 3 (11) of Regulation (EU) 2015/2365) (the SFTR), it is not anticipated that the Fund will enter into any SFTs. However, in the event that the Fund contemplates entering into such transactions, investors will be provided with further details of the structure and use of such transactions, together with any other information required to be disclosed to investors in accordance with Articles 13 and 14 of the SFTR. The Supplement will be updated accordingly in the event that the Fund will enter into any SFTs.

## **3 INVESTMENT APPROACH**

In order to seek to achieve its investment objective, the investment policy of the Fund is to use a replication strategy by investing directly in the underlying equity securities that consists of the component securities of the Index. The Fund will be 'passively' managed.

Where full replication is not possible, the Fund will invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities that generally replicate the Index. However, under various circumstances, it may not be practicable and possible to invest in such equity securities in proportion to their weightings in the Index. It is not expected that the Fund would invest in securities outside the Index under normal circumstances. In extraordinary circumstances the Fund may use such other techniques including, but not limited to, representative or "optimised" sampling to gain access to stocks which provide economic characteristics similar to the security in the Index. There also may be instances, for example if one or more securities are suspended from trading or in situations where the Fund is forced to liquidate particular securities, in which the Manager may choose to overweight a security in the Index, purchase securities not in the Index which the Manager believes are appropriate to substitute for certain securities in the Index or utilise other investment techniques in seeking to replicate, before fees and expenses, the price and yield performance of the Index. The Fund may sell securities that are represented in the Index in anticipation of their removal from the Index or purchase securities not represented in the Index in anticipation of their addition to the Index.

Anticipated tracking error is based on the expected volatility of differences between the returns of the Fund and the returns of the Index. For a physically replicating ETF, one of the primary drivers of tracking error is the difference between the Fund's holdings and index constituents. Cash management, trading costs from rebalancing and withholding tax or stamp duty suffered by the Fund on any income received from its Investments can also have an impact on tracking error as well as the return differential between the ETF and the benchmark index. The impact can be either positive or negative depending on the

underlying circumstances. The anticipated tracking error of the Fund is not a guide to its future performance. The annualised tracking error envisaged is not anticipated to exceed 0.80% under normal market conditions.

#### 4 INFORMATION ON THE INDEX

The Index tracks the performance of the global rare earth and Strategic metals segment. The Index includes companies with at least 50% (25% for current components) of their revenues from rare earth / strategic metals or companies that generate at least 50% of their revenues from rare earth / strategic metals through mining mineral resources.

**Strategic Metals/Minerals are listed as** – Antimony, Arsenic, Beryllium, Bismuth, Cadmium, Chromium, Cobalt, Gallium, Germanium, Hafnium, Indium, Lithium, Magnesium, Manganese, Molybdenum, Niobium = Columbium, Rhenium, Selenium, Strontium, Tantalum, Tellurium, Thallium, Titanium, Tungsten, Vanadium, Zircon and Zirconium.

**Rare Earth Metals / Minerals are listed as** – Cerium, Dysprosium, Erbium, Europium, Gadolinium, Holmium, Lanthanum, Lutetium, Neodymium, Praseodymium, Promethium, Samarium, Scandium, Terbium, Thulium, Ytterbium, and Yttrium.

The Index includes “Refiners”, “Recyclers” and “Producers” of rare earth / strategic metals and minerals.

For inclusion in the Index, components must meet the following size and liquidity requirements:

- full market capitalisation exceeding 150.0m USD, and
- a three-month average-daily-trading volume of at least 1.0m USD at the current review and also at the previous two reviews, and
- at least 250,000 shares traded per month over the last six months at the current review and also at the previous two reviews.

For components that are already constituents of the Index the following size and liquidity requirements apply:

- a full market capitalisation exceeding 75.0m USD, and
- a three-month average-daily-trading volume of at least 0.2m USD in at least two of the latest three quarters (current review and also at the previous two reviews).
- In addition, a three-month average-daily-trading volume of at least 0.6m USD at the current review or at one of the previous two reviews, or
- at least 200,000 shares traded per month over the last six months at the current review or at one of the previous two reviews.
- In case the number of investable stocks drops below the minimum component number for the respective index, additional companies are flagged eligible by the Index Owner’s decision until the number of eligible stocks equals the minimum component count.

The Index employs a capping scheme to ensure diversification. All companies are ranked by their free-float market capitalisation. The maximum weight for any single stock is 8%. If a stock exceeds the maximum weight, then the weight will be reduced to the maximum weight and the excess weight shall

be redistributed proportionally across all other Index constituents. This process is repeated until no stocks have weights exceeding the respective maximum weight. The 8%-cap weighting scheme will be applied to the largest stocks and the excess weight after each step shall be redistributed across all other (uncapped) stocks in the Index on a proportional basis:

- If the largest two stocks exceed 8%, both will be capped at 8%.
- If the 3rd largest stock exceeds 7%, it will be capped at 7%.
- If the 4th largest stock exceeds 6.5%, it will be capped at 6.5%.
- If the 5th largest stock exceeds 6%, it will be capped at 6%.
- If the 6th largest stock exceeds 5.5%, it will be capped at 5.5%.
- If the 7th largest stock exceeds 5%, it will be capped at 5%.
- If any other stock exceeds 4.5%, it will be capped at 4.5%.

In case the aggregated weight of all Index components that derive less than 50% of their revenues from rare earth / strategic metals or Index components that derive less than 50% of their revenues from rare earth / strategic metals through mining mineral resources exceeds 20%, a weighting cap factor will be applied to ensure the aggregated weight of such Index components does not exceed 20%. The excess weight shall be proportionally redistributed among the uncapped Index components that derive at least 50% of their revenues from rare earth / strategic metals or Index components that generate at least 50% of their revenues from rare earth / strategic metals through mining mineral resources.

The Index components are reviewed on a quarterly basis based on the closing data on the last business day in February, May, August and November. If a company does not trade on the last business day in February, May, August or November, the last available price for this company will be used during the review process. The underlying index data (e.g. new number of shares, new free-float factors and new weighting cap factors) is announced on the second Friday in a quarter-end month (i.e. March, June, September and December). The weighting cap factors are based on closing data of the Wednesday prior to the second Friday in a quarter-end month (i.e. March, June, September and December).

Changes to the Index will be implemented and based on the closing prices of the third Friday of every quarter-end month (i.e. March, June, September and December). If the third Friday is not a business day, the review will take place on the last business day before the third Friday. If a company does not trade on the third Friday of a quarter-end month, then the last available price for this company will be used. Changes become effective on the next business day.

The target coverage of the Index is at least 90% of the free-float market capitalisation of the investable universe with at least 20 companies.

The following steps will be followed and form the Index review procedure:

- All stocks in the investable universe are sorted in terms of free-float market capitalisation in descending order.
- Stocks covering the top 85% of the free-float market capitalisation of the investable universe qualify for selection.
- Existing components between the 85th and 98th percentiles also qualify for the Index.

- If the coverage is still below 90% or the number of components in the Index is still below 20, the largest remaining stocks will be selected until coverage of at least 90% is reached and the number of stocks equals 20.
- In case the number of eligible companies is below 20, additional companies are added by the Index Owner's decision until the number of stocks equals 20.

For all corporate events that result in a stock deletion from the Index, the deleted stock will be replaced with the highest ranked non-component on the most recent selection list immediately only if the number of components in the Index would drop below 20. The replacement stock will be added at the same weight as the deleted stock. Only in case the number of components drops below its minimum due to a merger of two or more index components, the replacement stock will be added with its uncapped free-float market capitalisation weight. In all other cases, i.e. there is no replacement, the additional weight resulting from the deletion will be redistributed proportionally across all other index constituents.

This section is a brief overview of the Index. It contains a summary of the principal features of the Index and is not a complete description of the Index. In case of inconsistency between the summary of the Index in this section and the complete description of the Index, the complete description of the Index prevails. Information on the Index appears on the website identified in the section entitled "Index Provider". Such information may change from time to time and details of the changes will appear on that website.

## 5 INDEX PROVIDER

The Index is published by MarketVector Indexes™ GmbH (the **Index Provider**), an affiliated company of the Manager. The Index Provider has contracted with Solactive AG to maintain and calculate the Index. The Index Provider does not sponsor, endorse, or promote the Fund and bears no liability with respect to the Fund or any security. The Index Provider will notify the Fund of material errors in the Index via the Index Provider's website. The Index Provider is an authorised benchmark administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation.

In accordance with Central Bank requirements, the Company is required to provide details of the Index Provider's website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company has no responsibility for the Index Provider's website and is not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof. Further information in relation to the Index may be found on the Index Provider's website, <https://marketvector.com/>.

## 6 INVESTMENT RESTRICTIONS

The general investment restrictions as set out in the Prospectus shall apply. The Fund may not invest more than 10% of its Net Asset Value in open-ended collective investment schemes.

The Fund may not invest less than 51% of its Net Asset Value in equity securities which constitute "equity participation" within the meaning of section 2, Article 8 of the German Investment Tax Act (Investmentsteuergesetz). Equity participation in this context consists of shares in corporations traded or admitted for trading on a regulated market or multilateral trading facility (MTF) considered as such by the European Securities and Markets Authority (ESMA). The actual equity participation ratios of target investment funds can be taken into account.

There may be instances where the weighting of any constituent security of the Index could cause the Fund to breach the investment restrictions set out in the Prospectus. If such an event occurs, it is

intended that the Fund will purchase other assets, the effect of which will seek to maintain, so far as is possible, the same economic exposure to and the same weighting of the security of that issuer in the Index without breaching its investment restrictions.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders.

## **7 BORROWING**

The Fund may borrow money in an amount up to 10% of the market value of its net assets at any time for the account of any Fund and the Depositary may charge the assets of the Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Fund may acquire currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of the Regulations provided that the offsetting deposit is denominated in the Base Currency of the Fund and equals or exceeds the value of the foreign currency loan outstanding.

## **8 RISK FACTORS**

The general risk factors as set out in the section entitled Risk Factors in the Prospectus apply.

Investors in the Fund should be willing to accept a high degree of volatility in the price of the Fund's Shares and the possibility of significant losses. An investment in the Fund involves a substantial degree of risk. Therefore, you are advised to consider carefully the following risks before investing in the Fund.

An investment in the Fund may be subject to risks which include, among others, material transaction cost from rebalancing activity and fluctuations in the value of securities held by the Fund due to market and economic conditions or factors relating to specific issuers.

The value of investments and the income from them, and therefore the value of and income from the Shares can go down as well as up and an investor may not get back the amount invested. The Fund's exposure is based on the performance of the Index securities which, in turn, is exposed to general market movements (negative as well as positive).

Certain additional risks may also be associated with the Fund, including, without limitation:

### **8.1 Risk of Investing in Rare Earth and Strategic Metals Companies**

The Fund will be sensitive to, and its performance will depend to a greater extent on, the overall condition of rare earth/strategic metals companies. Rare earth/strategic metals are industrial metals that are typically mined as by-products or secondary metals in operations focused on precious metals and base metals. Compared to base metals, they have more specialized uses and are often more difficult to extract. Rare earth metals (or rare earth elements), a subset of strategic metals, are a collection of chemical elements that are crucial to many of the world's most advanced technologies. Consequently, the demand for strategic metals has strained supply, which has the potential to result in a shortage of such materials which could adversely affect the companies in the Fund's portfolio. Companies involved in the various activities that are related to the producing, refining and recycling of rare earth/strategic metals tend to be small-, medium- and micro-capitalization companies with volatile share prices, are highly dependent on the price of rare earth/strategic metals, which may fluctuate substantially over short periods of time. The value of such companies may be significantly affected by events relating to international, national and local political and economic developments, energy conservation efforts, the success of exploration projects, commodity prices, tax and other government



regulations, depletion of resources, and mandated expenditures for safety and pollution control devices. The producing, refining and recycling of rare earth/strategic metals can be capital intensive and, if companies involved in such activities are not managed well, the share prices of such companies could decline even as prices for the underlying rare earth/strategic metals are rising. In addition, companies involved in the various activities that are related to the producing, refining and recycling of rare earth/strategic metals may be at risk for environmental damage claims.

## **8.2 Risk of Investing in Natural Resources Companies**

The Fund will be sensitive to, and its performance will depend to a greater extent on, the overall condition of the natural resources sector. Investments in natural resources and the natural resources sector can be significantly affected by events relating to these industries, including international political and economic developments, embargoes, tariffs, inflation, weather and natural disasters, limits on exploration, often rapid changes in the supply and demand for natural resources and other factors. The Fund's portfolio securities may experience substantial price fluctuations as a result of these factors, and may move independently of the trends of operating companies. Natural resources companies may be adversely affected by changes in government policies and regulations, technological advances and/or obsolescence, environmental damage claims, energy conservation efforts, the success of exploration projects, limitations on the liquidity of certain natural resources and commodities and competition from new market entrants. Changes in general economic conditions, including commodity price volatility, changes in exchange rates, imposition of import controls, rising interest rates, prices of raw materials and other commodities, depletion of resources and labour relations, could adversely affect the Fund's portfolio companies.

## **8.3 Risk of Investing in the Basic Materials Sector**

To the extent that the Fund continues to be concentrated in the basic materials (exploration/production of industrial metals) sector, the Fund will be sensitive to changes in, and its performance will depend to a greater extent on, the overall condition of the basic materials sector. Companies engaged in the production and distribution of basic materials may be adversely affected by changes in world events, political and economic conditions, energy conservation, environmental policies, commodity price volatility, changes in exchange rates, imposition of import controls, increased competition, depletion of resources and labour relations.

## **8.4 Risk of Investing in the Mining Industry**

As the Fund may invest in stocks of U.S. and non-U.S. companies that are involved in mining, the Fund is subject to certain risks associated with such mining companies. Investments in mining companies may be speculative. Competitive pressures may have a significant effect on the financial condition of such companies. Mining companies are highly dependent on the price of the underlying metal or element. These prices may fluctuate substantially over short periods of time so the Fund's Share price may be more volatile than other types of investments. In particular, a drop in the price of rare earth/strategic metals would particularly adversely affect the profitability of small- and medium-capitalization mining companies and their ability to secure financing. Furthermore, companies that are only in the exploration stage are typically unable to adopt specific strategies for controlling the impact of such price changes. In addition, many early stage miners operate at a loss and are dependent on securing equity and/or debt financing, which might be more difficult to secure for an early stage mining company than for a more established counterparts.

Some of the companies in the Index may be early stage mining companies that are in the exploration stage only or that hold properties that might not ultimately produce these metals. Exploration and development involves significant financial risks over a significant period of time which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which

are explored are ultimately developed into producing mines. Major expenditures may be required to establish reserves by drilling and to construct mining and processing facilities at a site. In addition, many early stage miners operate at a loss and are dependent on securing equity and/or debt financing, which might be more difficult to secure for an early stage mining company than for a more established counterpart.

## **8.5 Risk of Investing in Small- and Medium Capitalization Companies**

The securities of small- and medium-capitalisation companies may be more volatile and less liquid than the securities of large companies. As securities of small- and medium-capitalisation companies may experience more market price volatility than securities of larger companies, the net asset value of any fund which invests in small- and medium-capitalisation companies (such as the Fund) may reflect this volatility. Small- and medium-capitalisation companies, when compared with larger companies, may have a shorter history of operations, fewer financial resources, less competitive strength, may have a less diversified product line, may be more susceptible to market pressure and may have a smaller market for their securities. Investment in small- and medium-capitalisation companies may involve comparatively higher investment costs and accordingly investment in the Fund should be viewed as a long term investment. The Fund may however dispose of an investment made by it within a relatively short period of time, for example, to meet requests for redemption of Shares.

## **8.6 Emerging Markets Risk**

Investments in securities of emerging market issuers are exposed to a number of risks that may make these investments volatile in price or difficult to trade. Emerging markets are more likely than developed markets to experience problems with the clearing and settling of trades, as well as the holding of securities by local banks, agents and depositories. Political risks may include unstable governments, nationalization, restrictions on foreign ownership, laws that prevent investors from getting their money out of a country and legal systems that do not protect property rights as well as the laws in developed countries. Market risks may also include economies that concentrate in only a few industries, securities issues that are held by only a few investors, liquidity issues and limited trading capacity in local exchanges and the possibility that markets or issues may be manipulated by foreign nationals who have inside information. The frequency, availability and quality of financial information about investments in emerging markets varies. The Fund has limited rights and few practical remedies in emerging markets and the ability of authorities in developed countries to bring enforcement actions in emerging markets may be limited, and the Fund's passive investment approach does not take account of these risks. All of these factors can make emerging market securities more volatile and potentially less liquid than securities issued in more developed markets

## **8.7 Special Risk Considerations of Investing in Chinese Issuers**

Investments in securities of Chinese issuers, including issuers located outside of China that generate significant revenues from China, involve risks and special considerations not typically associated with investments in the securities markets developed countries. These risks, include, among others, (i) more frequent (and potentially widespread) trading suspensions and government interventions with respect to Chinese issuers resulting in lack of liquidity and in price volatility, (ii) currency revaluations and other currency exchange rate fluctuations or blockage, (iii) the nature and extent of intervention by the Chinese government in the Chinese securities markets, whether such intervention will continue and the impact of such intervention or its discontinuation, (iv) the risk of nationalization or expropriation of assets, (v) the risk that the Chinese government may decide not to continue to support economic reform programs, (vi) limitations on the use of brokers, (vii) higher rates of inflation, (viii) greater political, economic and social uncertainty, (ix) market volatility caused by any potential regional or territorial

conflicts or natural disasters and (x) the risk of increased trade tariffs, embargoes, sanctions, investment restrictions and other trade limitations. Certain securities are, or may in future become restricted, and the Fund may be forced to sell such restricted securities and incur a loss as a result. In addition, the economy of China differs, often unfavourably, from the global developed economy in such respects as structure, general development, government involvement, wealth distribution, rate of inflation, growth rate, interest rates, allocation of resources and capital reinvestment, among others. The Chinese central government has historically exercised substantial control over virtually every sector of the Chinese economy through administrative regulation and/or state ownership and actions of the Chinese central and local government authorities continue to have a substantial effect on economic conditions in China. In addition, previously the Chinese government has from time to time taken actions that influence the prices at which certain goods may be sold, encourage companies to invest or concentrate in particular industries, induce mergers between companies in certain industries and induce private companies to publicly offer their securities to increase or continue the rate of economic growth, control the rate of inflation or otherwise regulate economic expansion. The Chinese government may do so in the future as well, potentially having a significant adverse effect on economic conditions in China.

#### **8.8 Risk of Regulatory Action and Changes in Governments**

The producing, refining and recycling of rare earth/strategic metals may be significantly affected by regulatory action and changes in governments. Actions by countries essential to the producing, refining or recycling of rare earth/strategic metals to limit exports could have a significant adverse effect on industries around the globe and on the values of the businesses in which the Fund invests.

#### **8.9 Special Risk Considerations of Investing in Australian Issuers**

Investments in securities of Australian issuers involve risks and special considerations not typically associated with investments in the U.S. or European securities markets. The Australian economy is heavily dependent on exports from the agriculture and mining industries. This makes the Australian economy susceptible to fluctuations in the commodity markets. Australia is also dependent on trading with key trading partners.

#### **8.10 Special Risk Considerations of Investing in Asian Issuers**

The Fund may invest in securities issued by Asian issuers and, accordingly, may be subject to the risk of investing in such issuers. Investment in securities of issuers in Asia involves risks and special considerations not typically associated with investment in the securities markets of developed countries. Certain Asian economies have experienced over-extension of credit, currency devaluations and restrictions, high unemployment, high inflation, decreased exports and economic recessions. Economic events in any one Asian country can have a significant effect on the entire Asian region as well as on major trading partners outside Asia, and any adverse effect on some or all of the Asian countries and regions in which the Fund invests. The securities markets in some Asian economies are relatively underdeveloped and may subject the Fund to higher action costs or greater uncertainty than investments in more developed securities markets. Such risks may adversely affect the value of the Fund's investments.

#### **8.11 Risks specific to investing in China A Shares**

Liquidity risks may be more pronounced for the China A share market than for Chinese securities markets generally because the China A share market is subject to greater government restrictions and control, including trading suspensions. Securities on the China A share market, including securities in the Reference Index, may be suspended from trading without an indication of how long the suspension will last, which may impair the liquidity of such securities. Price fluctuations of China A shares are currently limited to either 5% or 10% per trading day. China imposes restrictions on foreign ownership

or holdings. Such legal and regulator restrictions or limitations may have adverse effects on the liquidity and performance of the Fund holdings as compared to the performance of the Reference Index. This may increase the risk of tracking error and impair the Fund's ability to achieve its investment objective.

### **8.12 Foreign Currency Risk**

In the event that the Fund's assets are invested in securities denominated in currencies other than the Base Currency, all or a portion of the proceeds received by the Fund from its investments and/or the revenues received from such underlying issuer will generally not be in the Base Currency. The Fund's exposure to foreign currencies and changes in the value of foreign currencies versus the Base Currency may result in reduced returns for the Fund. Moreover, the Fund may incur costs in connection with conversions between the Base Currency and foreign currencies. The value of an emerging market country's currency may be subject to a high degree of fluctuation. This fluctuation may be due to changes in interest rates, investors' expectations concerning inflation and interest rates, the emerging market country's debt levels and trade deficit, the effects of monetary policies issued by foreign governments, central banks or supranational entities, the imposition of currency controls or other national or global political or economic developments. The economies of certain emerging market countries can be significantly affected by currency devaluations. Certain emerging market countries may also have managed currencies which are maintained at artificial levels relative to the Base Currency rather than at levels determined by the market. This type of system could lead to sudden and large adjustments in the currency, which in turn, can have a negative effect on the Fund and its investments.

### **8.13 Concentration Risk**

The Fund's assets may be concentrated in a particular sector or sectors or industry or group of industries to the extent the Index concentrates in a particular sector or sectors or industry or group of industries. Accordingly, the Fund may be subject to the risk that economic, political or other conditions that have a negative effect on a particular industry or sector will negatively impact the Fund to a greater extent than if the Fund's assets were invested in a wider variety of sectors or industries.

The Fund may be particularly vulnerable to this risk because the Index is comprised of securities of a very limited number of issuers. The Fund's assets may be concentrated in a small number of stocks and/or may be concentrated in particular sectors which may subject the Fund to more risk than investments in a diverse group of companies and sectors.

### **8.14 Risk of Issuer-Specific Changes**

The value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole, especially if the Fund's portfolio is concentrated in a country, group of countries, region, market, industry, group of industries, sector or asset class. The value of securities of smaller issuers can be more volatile than that of larger issuers.

## **9 DIVIDEND POLICY**

It is not proposed that the Directors will declare a dividend in respect of the Fund. Full details of any change to the Fund's dividend policy will be provided in an updated Supplement and all Shareholders will be notified in advance.

## **10 KEY INFORMATION FOR PURCHASING AND SELLING**

|                         |   |
|-------------------------|---|
| <b>Base Currency</b>    | US Dollar (USD)   |
| <b>Business Day</b>     | means every day other than a Saturday or Sunday (or such other day(s) as the Directors may from time to time determine and notify in advance to Shareholders).  |
| <b>Dealing Day</b>      | In general, each Business Day will be a Dealing Day. However, certain Business Days will not be Dealing Days where, in the sole determination of the Manager: (i) markets on which the Fund's investments are listed or traded, or markets relevant to the Index are closed, and/or (ii) there is a public holiday in the jurisdiction in which the Manager or its delegate(s), if applicable, is or are based; provided there is at least one Dealing Day per fortnight. The Dealing Days for the Fund are available at <a href="http://www.vaneck.com">www.vaneck.com</a> . |
| <b>Dealing Deadline</b> | 4:00 p.m. (Irish time) on the Business Day prior to the relevant Dealing Day.   |
| <b>Settlement Date</b>  | In the case of subscription(s), within 2 Business Days of the relevant Dealing Day.<br><br>In the case of repurchases, within 3 Business Days of the relevant Dealing Day.  |
| <b>Valuation Point</b>  | 11:00 p.m. (Irish time) on the relevant Dealing Day.  |
| <b>Website</b>          | Information on portfolio composition and details of intra-day portfolio value (iNAV) are set out on the website - <a href="http://www.vaneck.com">www.vaneck.com</a>  |

### Description of the Shares

|                                     |   |
|-------------------------------------|---|
| <b>Share Class</b>                  | A   |
| <b>ISIN</b>                         | IE0002PG6CA6  |
| <b>Initial Offer Period</b>         | The Initial Offer Period shall commence at 9:00 a.m. (Irish time) 23 August 2021 and close at 5.00 p.m. (Irish time) on 21 February 2022 as may be shortened or extended by the Directors and notified to the Central Bank. |
| <b>Initial Price</b>                | Approximately USD 20, plus an appropriate provision for Duties and Charges, or such other amount as determined by the Manager and communicated to investors prior to investment.  |
| <b>Creation Unit</b>                | 50,000 Shares or such other amount as may be determined by the Directors at their discretion.   |
| <b>Minimum Initial Subscription</b> | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Initial Subscription.   |
| <b>Minimum Holding</b>              | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Holding.  |

## 11 CHARGES AND EXPENSES

The following fees and expenses will be incurred by the Company on behalf of the Fund and will affect the Net Asset Value of the relevant Class of Share of the Fund:

|                    |   |
|--------------------|---|
| <b>Share Class</b> | A   |
| <b>Total Fee</b>   | Up to 0.59% per annum or such lower amount as may be advised to Shareholders from time to time. |

The Total Fee, a percentage of the Net Asset Value of the relevant Class of Shares (plus VAT, if any), is payable by the Company out of the Fund Assets to the Manager. The Total Fee will accrue on each day and will be calculated on each Dealing Day and paid monthly in arrears. The Total Fee will cover all of the ordinary fees, operating costs and expenses payable by the Fund including fees and expenses paid to the Manager, all ordinary costs and expenses connected with the management and operating activities of the Fund, including investment management and advisory fees, Director's fees, registration, transfer agency, administration and custody fees, registrar fees, regulators and auditors and certain legal expenses of the Company. The Total Fee does not include extraordinary costs and expenses (including but not limited to transaction charges, stamp duty or other taxes on the investments of the Company including duty charges for portfolio re-balancing, withholding taxes, commissions and brokerage fees incurred with respect to the Company's investments, interest on any non-overdraft credit facility and charges incurred in negotiating, effecting or varying the terms of such facility, any commissions charged by intermediaries in relation to an investment in the Fund and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the Company all of which will be paid separately out of the assets of the Fund). The cost of establishing the Fund will be borne by the Manager.

This section entitled Charges and Expenses should be read in conjunction with the sections entitled General Charges and Expenses and Management Charges and Expenses in the Prospectus.

## 12 REGISTRATION FOR PUBLIC DISTRIBUTION AND LISTING

Application is expected to be made to register the Fund for public distribution in various countries.

Application will be made to list the Shares on Euronext and other stock exchanges. Through the operation of such a secondary market, persons who are not Authorised Participants or not able or willing to subscribe for and redeem Creation Units will be able to buy Shares from or sell Shares to other retail investors or market makers, broker/dealers, or other Authorised Participants at prices which should approximate, after currency conversion, the Net Asset Value of the Shares.

## 13 HOW TO BUY AND SELL SHARES

Investors can buy and sell Shares on the secondary market as described above in accordance with the procedures set out in the section entitled Secondary Market in the Prospectus.

Investors can otherwise subscribe for or redeem Creation Units in accordance with the procedures set out in the Prospectus.

## 14 SUSTAINABLE FINANCE DISCLOSURE

The Manager has categorised the Fund as meeting the provisions set out in Article 6 of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector ("SFDR") and does not follow a dedicated ESG investment strategy. The Fund does not have sustainable investment as its investment objective, nor does it promote environmental or social characteristics.

#### **14.1 Sustainability risks**

Sustainability risk is the risk that the value of an investment will decline as a result of an environmental, social or governance (ESG) event or circumstance. Ecological events include climate change, scarcity of natural resources and pollution. Social events may include labour issues and product liability. Governance can include themes such as shareholder rights, business ethics, diversity and executive remuneration. Sustainability risks can arise in all kinds of forms. With regard to the theme of climate, for example, there is a distinction between transition risks and physical risks, whereby transition risks can be divided into legal and regulatory risks, technological risks, market risks and reputation risks. In addition, the impact of sustainability risk has various scopes, including company-specific, sector-specific and on country level. The occurrence of a sustainability risk results in other (financial) risks manifesting. This can negatively affect the value of the investment.

Concrete examples of sustainability risks for the Fund are: a company has an overly generous remuneration policy or a remuneration policy that is inconsistent with the interests of the shareholders. Also, a company's reputation can deteriorate as a result of negative publicity about an environmental or labour issue that can cause the value of its stock to decline. The expected impact of sustainability risks on the return depends on the type of sustainability risk that materializes. For developed and emerging markets equity portfolios, this expected impact is generally viewed as significant.

#### **14.2 Sustainability risk integration features**

The Fund has a passive investment policy whereby the Fund aims to follow the Index as closely as possible. The relevant Index has no specific sustainability characteristics. The Fund therefore does not have any specific sustainability characteristics as well.

The Manager applies the following measures to integrate sustainability risks for this Fund:

##### **Exclusions**

Exclusions apply to this Fund as further outlined in section 10 of the Prospectus.

##### **Voting**

The Manager can exercise his voting rights at shareholders' meetings, according to the Proxy Voting Policy. To assist in its responsibility for voting proxies and the overall voting process, the Manager has engaged an independent third party proxy voting specialist, Glass Lewis Europe Limited, which takes also Environmental, Social and Governance factors into account when casting votes.

In particular, the Glass Lewis ESG voting policy is applied:

- On the Environmental side, within others, measures in favour of increased disclosure of a company's environmental risk through company-specific disclosure as well as compliance with international environmental conventions and adherence to environmental principles will be supported. Similarly, the ESG Policy will support proposals requesting companies develop greenhouse gas emissions reduction goals, comprehensive recycling. The ESG Policy will evaluate a company's impact on the environment, in addition to the regulatory risk a company may face by not adopting environmentally responsible policies. Further, the

ESG Policy will consider voting against directors for not appropriately overseeing environmental risk.

- On the Social side, the ESG Policy will support several proposals, including but not limited to requesting that a company develop sustainable business practices, such as animal welfare policies, human rights policies, and fair lending policies. Furthermore, the ESG Policy will also generally support enhancing the rights of workers, as well as considering the communities and broader constituents in the areas in which companies do business.
- On the Governance side, the ESG Policy supports, within other aspects, increased shareholder participation and access to a company and its board of directors. Accordingly, the ESG Policy will vote in favour of initiatives that seek to enhance shareholder rights, such as the introduction of majority voting to elect directors, the adoption and amendment of proxy access bylaws, the elimination/reduction of supermajority provisions, the declassification of the board, the submission of shareholder rights' plans to a shareholder vote, and the principle of one share, one vote.

### **Engagement**

The Manager appointed a third-party engagement specialist, Glass Lewis Europe Limited, for the passive equity funds managed by VanEck Asset Management B.V. The engagement provider determines the engagement approach in accordance with its engagement policy and based on its engagements' priorities.

#### **14.3 Taxonomy Regulation Disclosure**

The underlying investments of the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

### **15 OTHER INFORMATION**

New Funds may be created from time to time by the Directors with the prior approval of the Central Bank in which case further Supplements incorporating provisions relating to those Funds will be issued by the Company.

The names of the Funds currently approved by the Central Bank are listed in the Global Addendum.



## SCHEDULE 1

### DISCLAIMER

The Index is the exclusive property of MarketVector Indexes GmbH (**MarketVector**), a wholly owned subsidiary of the Manager, which has contracted with Solactive AG to maintain and calculate the Index. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards MarketVector, Solactive AG has no obligation to point out errors in the Index to third parties. The Fund is not sponsored, endorsed, sold or promoted by MarketVector and MarketVector makes no representation regarding the advisability of investing in the Fund. The Index is calculated weekdays between 01:00 and 22:40 (CET) and the Index values are disseminated to data vendors every 15 seconds on days when the US equity market is open for trading. The Index is disseminated in USD.

In accordance with Central Bank requirements, the Company and the Fund are required to provide details of the Index Provider's website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company and the Funds have no responsibility for the Index Provider's website and are not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof.

The indicative optimised portfolio value/intra-day portfolio value is calculated by S&P Global Ltd.

**VANECK UCITS ETFs plc**  
**Supplement dated 20 December 2024**  
**for**  
**VanEck New China UCITS ETF**

This Supplement contains specific information in relation to the **VanEck New China UCITS ETF** (the **Fund**), a sub-fund of **VanEck UCITS ETFs plc** (the **Company**), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank pursuant to the Regulations.

**This Supplement forms part of, may not be distributed unless accompanied by (other than to prior recipients of the Prospectus of the Company dated 20 December 2024, as may be amended, supplemented or modified from time to time), and should be read in conjunction with the Prospectus for the Company.**

THIS DOCUMENT IS IMPORTANT. YOU SHOULD NOT PURCHASE SHARES IN THE FUND DESCRIBED IN THIS SUPPLEMENT UNLESS YOU HAVE ENSURED THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT AND THE RISKS INVOLVED AND ARE SATISFIED THAT THE INVESTMENT IS SUITED TO YOUR CIRCUMSTANCES AND OBJECTIVES, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU ARE RECOMMENDED TO TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR.

The Directors of the Company whose names appear in the section entitled **Directors of the Company** in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

**Shares purchased on the secondary market cannot usually be sold directly back to the Fund. Investors must buy and sell Shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value when buying Shares and may receive less than the current Net Asset Value per Share when selling them.**

**An investment in the Fund, whose securities comprise holdings in emerging markets, should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors.**

Certain risks attached to investments in the Fund are set out in the Prospectus in the section entitled **Risk Factors**.

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## **1. IMPORTANT INFORMATION**

### **1.1 Profile of a typical investor**

A typical investor is expected to be an informed investor who is able to bear capital and income risk, and should view investment in the Fund as a medium to long term investment. A typical investor is expected to be an investor who wishes to take exposure to the markets covered by the Fund's investment policy and is prepared to accept the risks associated with an investment of this type, including the volatility of such market.

### **1.2 General**

This Supplement sets out information in relation to the Shares and the Fund. You must also refer to the Prospectus which is separate to this document and describes the Company and provides general information about offers of shares in the Company. You should not take any action in respect of the Shares unless you have received a copy of the Prospectus. Should there be any inconsistency between the contents of the Prospectus and this Supplement, the contents of this Supplement will, to the extent of any such inconsistency, prevail. This Supplement and the Prospectus should both be carefully read in their entirety before any investment decision with respect to Shares is made.

The Shares of the Fund have been admitted to listing on the Official List and trading on the Regulated Market of Euronext Dublin. This Supplement together with the Prospectus includes all information required to be disclosed by Euronext Dublin listing requirements and comprise listing particulars for the purpose of listing the Shares of the Fund on Euronext Dublin.

Neither the admission of Shares of the Fund to listing on the Official List and to trading on the Regulated Market of Euronext Dublin nor the approval of the listing particulars pursuant to the listing requirements of Euronext Dublin shall constitute a warranty or representation by Euronext Dublin as to the competence of service providers to or any other party connected with the Fund, the adequacy of information contained in the listing particulars or the suitability of the Fund for investment purposes.

As of the date of this Supplement, the Company does not have any loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

### **1.3 Suitability of Investment**

You are advised to inform yourself as to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Shares.

The Shares are not principal protected. The value of the Shares may go up or down and you may not get back the amount you have invested. See the section entitled Risk Factors of the Prospectus and the section entitled Risk Factors of this Supplement for a discussion of certain risks that should be considered by you.

An investment in the Shares is only suitable for you if you are a sophisticated investor and (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from

such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

## **1.4 Distribution of this Supplement and Selling Restrictions**

Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus and is not authorised in any jurisdiction after publication of the audited annual report of the Company unless a copy of the then latest annual report and, if distributed after the semi-annual report has been produced, a copy of the then latest published semi-annual report and unaudited accounts is made available in conjunction with the Prospectus and this Supplement. The distribution of this Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. If you receive a copy of this Supplement and/or the Prospectus you may not treat such document(s) as constituting an offer, invitation or solicitation to you to subscribe for any Shares unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without compliance with any registration or other legal requirement other than those with which the Company has already complied. If you wish to apply for the opportunity to purchase any Shares it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile.

## **2. INVESTMENT OBJECTIVE AND POLICIES**

### **2.1 Investment Objective**

The Fund's investment objective is to replicate, before fees and expenses, the price and yield performance of the MarketGrader New China ESG Index (the **Index**). For a further description of the Index see the section entitled **Information on the Index** below.

### **2.2 Investment Policy**

In order to seek to achieve its investment objective, the Manager will normally use a replication strategy by investing directly in the underlying equity securities of the Index, being the stock, American depository receipts (**ADRs**), and global depository receipts (**GDRs**). The Index consists of the 100 most fundamentally sound companies (being companies with good financial results based on an analysis of each company's income statements, statements of cash flows and balance sheets) with the best growth prospects in China's new economy sectors (companies with the best growth prospects, in the Consumer Discretionary, Consumer Staples, Health Care and Technology sectors) that are domiciled in China. Such equities must be issued by the most financially sound companies domiciled in China that are listed on one or more of the following exchanges:

The Mainland China Stock Exchanges (Shanghai Stock Exchange and Shenzhen Stock Exchange) that are accessible to foreign investors through the Hong Kong Stock Connect program (Northbound and Southbound). For the avoidance of doubt, the Fund may invest in China A shares. China A shares are issued by publicly listed Chinese companies that trade on Chinese stock exchanges such as the Shenzhen and Shanghai Stock Exchanges.

The Hong Kong Stock Exchange. For the avoidance of doubt, the Fund may invest in China H shares. China H shares are issued by issuers which are incorporated in China and trade on the Hong Kong stock exchange.

The United States National Exchanges (the New York Stock Exchange and NASDAQ).

In addition, the companies selected into the Index are compliant (above median performers) with Environmental, Sustainability and Governance (ESG) criteria based on the OWL Analytics (a data analytics company) consensus ESG Score ("**OWL ESG**"). OWL ESG covers over 25,000 companies globally, publishing metrics monthly that are aggregated from hundreds of independent ESG data sources. OWL ESG scores and ranks all companies in its coverage universe across thirty core metrics, including 12 key performance indicators (KPIs) that quantify company behaviour across Environmental, Social and Governance factors.

The Fund will seek the prior approval of the Central Bank should the Fund seek to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. In exceptional market circumstances, such as, but not limited to, a material price movement impacting the weighting of an underlying equity security of the Index or disruptive market conditions or extremely volatile markets, an underlying equity security of the Index which is held by the Fund may exceed the regulatory limits intra rebalancing dates which would result in the Fund seeking to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. Where it is not practical or cost efficient for the Fund to fully replicate the Index, the Manager may utilise an optimised sampling methodology and further detail in respect of this approach is set out in the section entitled Investment Approach below.

**The Fund may also (or alternatively) invest in financial derivative instruments (FDIs) which relate to the Index or constituents of the Index.** The FDIs which the Fund may use are futures, swaps (for example index swaps and equity swaps), currency forwards and non-deliverable forwards (a forward contract that does not require settlement on maturity) (**NDFs**). Futures may be used in order to equitise cash balances (i.e. gaining exposure to equity markets through investment in derivatives for efficient portfolio management purposes) pending investment of subscription proceeds or other cash balances held by the Fund to seek to reduce tracking error. Currency forwards and NDFs may be used to hedge currency exposures. The Fund may use FDIs as an alternative to direct investment in the constituents of the Index in order to avail of the related cost or liquidity advantages of FDIs which may, in certain circumstances, be available over the direct investment in the constituents of the Index. The Fund may also use ADRs or GDRs to gain exposure to equity securities instead of using physical securities in circumstances where, due to local restrictions or quota limitations, it is not possible to hold these directly or where it is otherwise advantageous to the Fund to do so.

The Fund will invest more than 20% of its Net Asset Value in emerging markets.

The Fund may also invest in ancillary liquid assets and money market instruments which may include bank deposits, depositary receipts, certificates of deposit, commercial paper, floating rate notes and freely transferable promissory notes. The ancillary liquid assets, money market instruments and FDI (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus. Investment in ancillary liquid assets and money market instruments may be utilised in a variety of circumstances, including but not limited to, situations such as managing total exposure to cash and borrowing on a short term basis and in anticipation of participation in a rights offering.

## **2.3 Efficient Portfolio Management**

Investors should note that the Fund may invest in FDIs for efficient portfolio management or hedging purposes only. The Fund may use futures, swaps and currency forwards for the purpose of reducing risk associated with currency exposures within the Fund. This may on occasion lead to an increase in the risk profile of the Fund or result in a fluctuation in the expected level of volatility. Please see the section entitled **Risk Factors** in the Prospectus in relation to such risks.

The Fund will employ the commitment approach to assess the Fund's global exposure and to ensure that the Fund's use of derivative instruments is within the limits specified by the Central Bank. Global

exposure will be calculated daily. While the Fund may be leveraged through the use of the FDIs, any such leverage will not exceed 100% of the Fund's Net Asset Value.

Investment in FDIs is subject to the conditions and limits contained in the CBI UCITS Regulations. Subject to these limits, the Fund may invest in FDIs dealt on any of the regulated markets set out in the list of Markets in Appendix II to the Prospectus (and/or over the counter FDIs (**OTCs**)) which will be used for efficient portfolio management and/or for hedging purposes.

The Company employs a risk management process which enables it to accurately measure, monitor and manage at any time the various risks associated with FDIs and their contribution to the overall risk profile of the portfolio of assets of the Fund. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments. The Fund will only invest in FDIs in accordance with the risk management policy prepared and submitted to the Central Bank in accordance with the Central Bank requirements.

A Fund may invest in FDIs dealt over-the-counter provided that the counterparties to over-the-counter transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

Position exposure to the underlying assets of FDIs, including embedded FDIs in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the CBI UCITS Regulations.

Investors are referred to the section entitled Use of Financial Derivative Instruments and Efficient Portfolio Management in the Prospectus.

## **2.4 Securities Financing Transactions**

While the Company may enter into securities financing transactions and repurchase agreements (**SFTs**) (as defined under Article 3 (11) of Regulation (EU) 2015/2365) (the **SFTR**), it is not anticipated that the Fund will enter into any SFTs. However, in the event that the Fund contemplates entering into such transactions, investors will be provided with further details of the structure and use of such transactions, together with any other information required to be disclosed to investors in accordance with Articles 13 and 14 of the SFTR. The Supplement will be updated accordingly in the event that the Fund will enter into any SFTs.

## **3. INVESTMENT APPROACH**

In order to seek to achieve its investment objective, the investment policy of the Fund is to use a replication strategy by investing directly in the underlying equity securities that consists of the component securities of the Index. The Fund will be 'passively' managed.

Where full replication is not possible, the Fund will invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities that generally replicate the Index. However, under various circumstances, it may not be practicable and possible to invest in such equity securities in proportion to their weightings in the Index. It is not expected that the Fund would invest in securities outside the Index under normal circumstances. In extraordinary circumstances the Fund may use such other techniques including, but not limited to, representative or "optimised" sampling to gain access to stocks which provide economic characteristics similar to the security in the Index. There also may be instances, for example if one or more securities are suspended from trading or in situations where the Fund is forced to liquidate particular securities, in which the Manager may choose to

overweight a security in the Index, purchase securities not in the Index which the Manager believes are appropriate to substitute for certain securities in the Index or utilise other investment techniques in seeking to replicate, before fees and expenses, the price and yield performance of the Index. The Fund may sell securities that are represented in the Index in anticipation of their removal from the Index or purchase securities not represented in the Index in anticipation of their addition to the Index.

Anticipated tracking error is based on the expected volatility of differences between the returns of the relevant fund and the returns of its benchmark index. For a physically replicating ETF, one of the primary drivers of tracking error is the difference between a Fund's holdings and index constituents. Cash management, trading costs from rebalancing and withholding tax suffered by the Fund on any income received from its investments can also have an impact on tracking error as well as the return differential between the ETF and the benchmark index. The impact can be either positive or negative depending on the underlying circumstances. The anticipated tracking error of a Fund is not a guide to its future performance. The annualized tracking error envisaged is not anticipated to exceed 1.50% under normal market conditions.

#### **4. INFORMATION ON THE INDEX**

4.1 The Index consists of the 100 most fundamentally sound companies (being companies with good financial results based on an analysis of each company's income statements, statements of cash flows and balance sheets) with the best growth prospects in China's new economy sectors (companies with the best growth prospects, in the Consumer Discretionary, Consumer Staples, Health Care and Technology sectors) that are domiciled in China. The Index is designed to provide investors with exposure to the most financially sound companies domiciled in China that are listed on one or more of the following exchanges:

4.1.1 The Mainland China Stock Exchanges (Shanghai Stock Exchange and Shenzhen Stock Exchange) that are accessible to foreign investors through the Hong Kong Stock Connect program (Northbound and Southbound).

4.1.2 The Hong Kong Stock Exchange.

4.1.3 The United States National Exchanges (the New York Stock Exchange and NASDAQ).

In addition, the companies selected into the Index are compliant (above median performers) with Environmental, Sustainability and Governance (ESG) criteria based on the OWL Analytics consensus ESG Score. OWL ESG covers over 25,000 companies globally, publishing metrics monthly that are aggregated from hundreds of independent ESG data sources. OWL ESG scores and ranks all companies in its coverage universe across thirty core metrics, including 12 key performance indicators (KPIs) that quantify company behaviour across Environmental, Social and Governance factors.

MarketGrader reconstitutes the Index components on a semi-annual basis according to the methodology described in this section.

4.1.4 The selection universe for the Index is comprised of all public issues from the MarketGrader Research Universe trading on Mainland China, Hong Kong and US Exchanges with the issuing company domiciled in China according to the entity "ISO Country" code defined by FactSet. In addition, issues trading on the Mainland China Exchanges have to be a part of the Hong Kong Stock Connect Program. Companies within the selection universe for the Index must have received a MarketGrader overall rating consistently for at least six months.



The companies within the selection universe must satisfy the following requirements:

- 4.1.5 The company's stock cannot be classified as a "ST" (special treatment) stock by the China Securities Regulatory Commission (CSRC).
- 4.1.6 If a company's stock is temporarily suspended from trading, it is ineligible from inclusion in the Index's selection universe.
- 4.1.7 The company's stock Foreign Ownership on the selection date cannot exceed 26% of its free float adjusted market capitalization .
- 4.1.8 The company may not appear in any of the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) Sanctions Lists.
- 4.1.9 The company may not appear in the U.S. Department of Defense list of "Qualifying Entities Prepared in Response to Section 1237 of the National Defense Authorization Act for Fiscal Year 1999."
- 4.1.10 The MarketGrader New China ESG Index consists of 100 fundamentally sound companies domiciled in China and traded publicly in the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Hong Kong Stock Exchange or on U.S. National Exchanges. The index constituents are selected on the basis of the strength of their fundamentals as measured by the MarketGrader Score (0 to 100) and must rank above their regional sector median ESG composite score, as measured by OWL Analytics.
- 4.1.11 The Index is reconstituted and rebalanced after the close of trading on U.S. exchanges on the third Friday of March and September. The Index constituents are selected on the Tuesday of the previous week, or ten (10) calendar days prior to the reconstitution and rebalance date. Constituents are equally weighted on the Friday following the selection date and one week prior to the Index's official rebalance date.
- 4.1.12 All companies in the MarketGrader New China ESG Index Selection Universe (as defined above) are eligible for selection into the Index, provided they meet the following investability criteria at the time of the Index's reconstitution and rebalance:
- 4.1.13 The company has a market capitalization of at least USD 500 million.
- 4.1.14 The company's stock has a 3-month average trading volume of at least USD 5 million.
- 4.1.15 The company's float factor is greater than 10%.
- 4.1.16 MarketGrader implements a proprietary methodology to select the index constituents based on 24 indicators, each graded independently, across four fundamental categories: Growth, Value, Profitability and Cash Flow, which seeks to identify the companies with the strongest fundamentals. After grading each company on the 24 indicators, the sum of the grades is normalized into a MarketGrader Score (MG Score) ranging between zero and 100. Each company in the MarketGrader New China ESG Index Investable Universe has a MG Score.
- 4.1.17 For all reconstitutions and rebalances, MarketGrader selects the 100 highest ranking MG Score companies from the MarketGrader New China ESG Index Investable Universe as components for the Index subject to the following criteria:
- 4.1.18 No more than 30 companies may belong to any one sector.

- 4.1.19 Existing components continue to be a part of the Index as long as their MG Score does not fall below the 120th ranked company (20% buffer for the MG Score).
- 4.1.20 If an index constituent is dual listed in more than one of the exchanges in the Investable Universe and the non-constituent issue has a higher MarketGrader Score than the Index constituent, the Index constituent will remain in the Index and not be replaced by the other issue even if the latter has a higher MarketGrader Score.
- 4.1.21 If two issues of the same company with a dual listing are eligible for selection to the Index based on their MarketGrader Score (provided that one is not already an Index constituent), MarketGrader will select the issue with the higher three-month average daily trading volume (in USD) for inclusion in the Index.

Additionally, companies selected into the MarketGrader New China ESG Index Selection Universe need to satisfy the following ESG criteria:

- 4.1.22 New components selected into the Index must be ranked in the top 50% within their regional peer group on an ESG consensus rating calculated by OWL Analytics.
- 4.1.23 Existing components of the Index must be ranked in the top 66% within their regional peer group on an ESG consensus rating calculated by OWL Analytics ("OWL"). OWL scores and ranks all companies in its coverage universe across thirty core metrics, including 12 key performance indicators (KPIs), that quantify company behavior across Environmental, Social and Governance factors
- 4.1.24 If at any time the free float adjusted market capitalization of an Index constituent reaches a foreign ownership percentage of 26%, the stock will be put on a Foreign Ownership Limit (FOL) watch list for possible deletion at the 27% threshold. If the stock reaches the 27% threshold, it will be deleted from the Index on the fourth trading day following the first day it reached such threshold. The stock will then be deleted from the Index with a presumed market value per unit of stock equal to the closing price on its last trading day and the proceeds will be reinvested across the remaining Index constituents proportionally to their weights on the date the deletion is announced.
- 4.1.25 If at any time an Index constituent that trades on one of China's Mainland stock exchanges (Shanghai Stock Exchange or Shenzhen Stock Exchange) through the Hong Kong Stock Connect Program is moved to the 'Sell Only' list (which means that foreign investors can only sell but not buy the stock through the Connect Program), it will be deleted from the Index. The deletion will take place on the fourth trading day following the announcement that the stock was moved to the 'Sell Only' list. The stock will then be deleted from the Index with a presumed market value per unit of stock equal to the closing price on its last trading day and the proceeds will be reinvested across the remaining Index constituents proportionally to their weights on the date the deletion is announced.
- 4.1.26 All Index constituents are equally weighted on the Friday following the selection date and one week prior to the Index's official rebalance date.

## 5. INDEX PROVIDER

The Index is published by MarketGrader. The Index Provider does not sponsor, endorse, or promote the Fund and bears no liability with respect to the Fund or any security. The Index Provider will notify the Fund of material errors in the Index via the Index Provider's website.

In accordance with Central Bank requirements, the Company is required to provide details of the Index Provider's website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company has no responsibility for the Index Provider's website and is not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof. Further information in relation to the Index may be found on the Index Provider's website, [www.MarketGrader.com](http://www.MarketGrader.com).

## 6. INVESTMENT RESTRICTIONS

The general investment restrictions as set out in the Prospectus shall apply. The Fund may not invest more than 10% of its Net Asset Value in open-ended collective investment schemes.

The Fund may not invest less than 51% of its Net Asset Value in equity securities which constitute "equity participation" within the meaning of section 2, Article 8 of the German Investment Tax Act (Investmentsteuergesetz). Equity participation in this context consists of shares in corporations traded or admitted for trading on a regulated market or multilateral trading facility (**MTF**) considered as such by the European Securities and Markets Authority (**ESMA**). The actual equity participation ratios of target investment funds can be taken into account.

There may be instances where the weighting of any constituent security of the Index could cause the Fund to breach the investment restrictions set out in the Prospectus. If such an event occurs, it is intended that the Fund will purchase other assets, the effect of which will seek to maintain, so far as is possible, the same economic exposure to and the same weighting of the security of that issuer in the Index without breaching its investment restrictions.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or are in the interests of Shareholders.

## 7. BORROWING

The Fund may borrow money in an amount up to 10% of the market value of its net assets at any time for the account of any Fund and the Depositary may charge the assets of the Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Fund may acquire currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of the Regulations provided that the offsetting deposit is denominated in the Base Currency of the Fund and equals or exceeds the value of the foreign currency loan outstanding.

## 8. RISK FACTORS

The general risk factors as set out in the section entitled **Risk Factors** in the Prospectus apply.

Investors in the Fund should be willing to accept a high degree of volatility in the price of the Fund's Shares and the possibility of significant losses. An investment in the Fund involves a substantial degree of risk. Therefore, you are advised to consider carefully the following risks before investing in the Fund.

The value of investments and the income from them, and therefore the value of and income from the Shares can go down as well as up and an investor may not get back the amount invested. The Fund's exposure is based on the performance of the Index securities which, in turn, is exposed to general market movements (negative as well as positive).

An investment in the Fund may be subject to risks which include, among others, material transaction cost from rebalancing activity and fluctuations in the value of securities held by the Fund due to market and economic conditions or factors relating to specific issuers. Certain additional risks may also be associated with the Fund, including, without limitation:

### 8.1 Risks specific to investing in China A-shares

Liquidity risks may be more pronounced for the A-share market than for Chinese securities markets generally because the A-share market is subject to greater government restrictions and control, including trading suspensions. Securities on the A-share market, including securities in the Reference Index, may be suspended from trading without an indication of how long the suspension will last, which may impair the liquidity of such securities. Price fluctuations of A-shares are currently limited to either 5% or 10% per trading day. China imposes restrictions on foreign ownership or holdings. Such legal and regulator restrictions or limitations may have adverse effects on the liquidity and performance of the Fund holdings as compared to the performance of the Reference Index. This may increase the risk of tracking error and impair the Fund's ability to achieve its investment objective.

### 8.2 Risks of investing through Stock Connect

The Fund expects to make investments through Stock Connect. The mechanism involves "Northbound Trading" and "Southbound Trading". Northbound Trading means trading made by Hong Kong and overseas investors, through their Hong Kong brokers and a securities trading service company established by Stock Exchange of Hong Kong Limited ("**SEHK**"), to eligible shares listed on Shanghai Stock Exchange ("**SSE**") and Shenzhen Stock Exchange ("**SZSE**"). Southbound Trading means trading made by Chinese investors, through Chinese securities firms and a securities trading service company established by SSE/SZSE respectively, to eligible shares listed on SEHK. "Daily Quota" means the upper limit for the difference between the buying and selling values under Stock Connect each day. Trading through Stock Connect is subject to a number of restrictions that may affect the Fund's investments and returns. For example, trading through Stock Connect is subject to Daily Quotas on a first-come-first-served basis that limit the maximum daily net purchases on any particular day, which may restrict or preclude the Fund's ability to invest in Stock Connect A-shares. It is contemplated that SEHK and SSE/SZSE would reserve the right to suspend Northbound and/or Southbound trading if necessary to ensure an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound Trading is affected, the Fund's ability to access the A-share market through Stock Connect will be adversely affected.

The list of eligible SSE/SZSE securities for trading (buying and/or selling) through the Stock Connect ("**Eligible SSE/SZSE Securities**") covers only a limited number of securities traded on SSE/SZSE. The list of Eligible SSE/SZSE Securities and its admission criteria can be revised by SEHK from time to time. If a stock is recalled from the list of Eligible SSE Securities for trading via Stock Connect, such stock can only be sold and cannot be bought. This may affect the Fund's ability to invest in A-shares through Stock Connect.

Furthermore, securities purchased via Stock Connect will be held via a book entry omnibus account in the name of HKSCC, Hong Kong's clearing entity, at the CSDCC. The Fund's ownership interest in Stock Connect securities will not be reflected directly in a book entry with CSDCC and will instead only be reflected on the books of its Hong Kong sub-custodian. The Fund may therefore depend on HKSCC's ability or willingness as record-holder of Stock Connect securities to enforce the Fund's shareholder rights. Stock Connect A-shares generally may not be sold, purchased or otherwise transferred other than through Stock Connect in accordance with applicable rules.

A primary feature of Stock Connect is the application of the home market's laws and rules applicable to investors in A-shares. Therefore, the Fund's investments in Stock Connect A-shares are generally subject to Chinese securities regulations and listing rules, among other restrictions. The Fund will not benefit from access to Hong Kong investor compensation funds, which are set up to protect against defaults of trades, when investing through Stock Connect. Stock Connect is only available on days when markets in both Mainland China and Hong Kong are open, which may limit the Fund's ability to trade when it would be otherwise attractive to do so.

The Stock Connect program is a relatively new program for investors from Hong Kong and overseas to access China's stock market directly. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house. Market participants may need to address issues arising from the differences on an on-going basis.

The Stock Connect program may be subject to further interpretation and guidance. There can be no assurance as to the program's continued existence or whether future developments regarding the program may restrict or adversely affect the Fund's investments or returns.

### **8.3 Risk of Investing in the Software Industry**

Companies in the software industry are subject to significant competitive pressures, such as aggressive pricing, new market entrants, competition for market share, short product cycles due to an accelerated rate of technological developments and the potential for limited earnings and/or falling profit margins. Software companies also face the risks that new services, equipment or technologies are not accepted by consumers and businesses or will become rapidly obsolete. These factors can affect the profitability of software companies and, as a result, the value of their securities. Patent protection is integral to the success of many companies and their profitability can be affected materially by, among other things, the cost of obtaining (or failing to obtain) patent approvals, the cost of litigating patent infringement and the loss of patent protection for products (which significantly increases pricing pressures and can materially reduce profitability with respect to such products). In addition, many software companies have limited operating histories. Prices of software companies' securities historically have been more volatile than other securities, especially over the short term.

### **8.4 Risk of Investing in the Internet Software & Services Industry**

The prices of the securities of companies in the internet software and services industry may fluctuate widely due to competitive pressures, increased sensitivity to short product cycles and aggressive pricing, heavy expenses incurred for research and development of products or services that prove unsuccessful, problems related to bringing products to market, and rapid obsolescence of products. Many internet software and software services companies rely on a combination of patents, copyrights, trademarks and trade secret laws to establish and protect their proprietary rights in their products and technologies. There can be no assurance that the steps taken by internet software and software services companies to protect their proprietary rights will sufficiently prevent misappropriation of their technology or that competitors will not independently develop technologies that are substantially equivalent or superior to such companies' technology. Legislative or regulatory changes and increased government supervision also may affect companies in the internet software and services sector.

### **8.5 Risk of Investing in the Semiconductor Industry**

The Fund will be sensitive to, and its performance may depend to a greater extent on, the overall condition of the semiconductor industry. Competitive pressures may have a significant effect on the financial condition of companies in the semiconductor industry. The Fund is subject to the risk that companies that are in the semiconductor industry may be similarly affected by particular economic or

market events. As product cycles shorten and manufacturing capacity increases, these companies may become increasingly subject to aggressive pricing, which hampers profitability. Semiconductor companies are vulnerable to wide fluctuations in securities prices due to rapid product obsolescence. Many semiconductor companies may not successfully introduce new products, develop and maintain a loyal customer base or achieve general market acceptance for their products, and failure to do so could have a material adverse effect on their business, results of operations and financial condition. Reduced demand for end-user products, underutilisation of manufacturing capacity, and other factors could adversely impact the operating results of companies in the semiconductor industry. Semiconductor companies typically face high capital costs and such companies may need additional financing, which may be difficult to obtain. They also may be subject to risks relating to research and development costs and the availability and price of components. Moreover, they may be heavily dependent on intellectual property rights and may be adversely affected by loss or impairment of those rights. Some of the companies involved in the semiconductor industry are also engaged in other lines of business unrelated to the semiconductor business, and they may experience problems with these lines of business, which could adversely affect their operating results. The international operations of many semiconductor companies expose them to risks associated with instability and changes in economic and political conditions, foreign currency fluctuations, changes in foreign regulations, tariffs and trade disputes, competition from subsidised foreign competitors with lower production costs and other risks inherent to international business. The semiconductor industry is highly cyclical, which may cause the operating results of many semiconductor companies to vary significantly. Companies in the semiconductor industry also may be subject to competition from new market entrants. The stock prices of companies in the semiconductor industry have been and will likely continue to be extremely volatile compared to the overall market.

#### **8.6 Risk of Investing in the Information Technology Industry**

To the extent that the Index continues to be concentrated in the information technology sector, the Fund will be sensitive to changes in, and its performance will depend to a greater extent on, the overall condition of the information technology sector. Information technology companies face intense competition, both domestically and internationally, which may have an adverse effect on profit margins. Information technology companies may have limited product lines, markets, financial resources or personnel. The products of information technology companies may face product obsolescence due to rapid technological developments and frequent new product introduction, unpredictable changes in growth rates and competition for the services of qualified personnel. Companies in the information technology sector are heavily dependent on patent protection and the expiration of patents may adversely affect the profitability of these companies.

#### **8.7 Risk of Investing in the Communication Services Sector.**

The Fund will be sensitive to, and its performance may depend to a greater extent on, the overall condition of the communication services sector. Companies in the communication services sector may be affected by industry competition, substantial capital requirements, government regulations and obsolescence of communications products and services due to technological advancement.

#### **8.8 Risk of Investing in the Consumer Discretionary Sector**

The consumer discretionary sector includes automotive, household durable goods and apparel manufacturers and companies that provide retail, lodging, leisure or food and beverage services. Companies engaged in the consumer discretionary sector are subject to fluctuations in supply and demand. These companies may also be adversely affected by changes in consumer spending as a result of world events, political and economic conditions, commodity price volatility, changes in

exchange rates, imposition of import controls, increased competition, depletion of resources and labour relations.

### **8.9 Risk of Investing in the Consumer Staples Sector**

The consumer staples sector includes, among others, manufacturers and distributors of food, beverages and tobacco, food and medicine retailers and products of non-durable household goods and consumer products. These companies may be adversely affected by changes in the worldwide economy, consumer spending, competition, demographics and consumer preferences, exploration and production spending. These companies are subject to government regulation affecting their products which may negatively impact such companies performance.

### **8.10 Risk of Investing in the Health Care Sector**

The health care sector includes companies that manufacture health care equipment and supplies or provide health care-related services, as well as those that are involved in the research, development, production and marketing of pharmaceuticals and biotechnology. In the event that the companies in the healthcare sector may be affected by extensive government regulation, restrictions on government reimbursement for medical expenses, rising costs of medical products and services, pricing pressure, an increased emphasis on outpatient services, limited number of products, industry innovation, changes in technologies and other market developments. Many healthcare companies are heavily dependent on patent protection and are subject to extensive litigation based on product liability and similar claims. The expiration of patents may adversely affect the profitability of these companies. Health care companies are subject to competitive forces that may make it difficult to raise prices and, in fact, may result in price discounting. Many new products in the health care sector may be subject to regulatory approvals. The process of obtaining such approvals may be long and costly. Companies in the health care sector may be thinly capitalised and may be susceptible to product obsolescence.

### **8.11 Risk of Investing in Small- and Medium-Capitalization Companies**

The securities of small- and medium-capitalization companies may be more volatile and less liquid than the securities of large companies. As securities of small- and medium-capitalization companies may experience more market price volatility than securities of larger companies, the net asset value of any fund which invests in small- and medium-capitalization companies (such as the Fund) may reflect this volatility. Small- and medium-capitalization companies, when compared with larger companies, may have a shorter history of operations, fewer financial resources, less competitive strength, may have a less diversified product line, may be more susceptible to market pressure and may have a smaller market for their securities. Investment in small- and medium-capitalization companies may involve comparatively higher investment costs and accordingly investment in the Fund should be viewed as a long term investment. The Fund may however dispose of an investment made by it within a relatively short period of time, for example, to meet requests for redemption of Shares.

### **8.12 Risk of Issuer-Specific Changes**

The value of individual securities or particular types of securities in the Fund's portfolio can be more volatile than the market as a whole and can perform differently from the value of the market as a whole, which may have a greater impact if the Fund's portfolio is concentrated in a country, group of countries, region, market or asset class. The value of securities of smaller issuers can be more volatile than that of larger issuers. A change in the financial condition, market perception or the credit rating of an issuer of securities included in the Index may cause the value of its securities to decline.

## **8.13 Emerging Markets Risk**

Investments in securities of emerging market issuers are exposed to a number of risks that may make these investments volatile in price or difficult to trade. Emerging markets are more likely than developed markets to experience problems with the clearing and settling of trades, as well as the holding of securities by local banks, agents and depositories. Political risks may include unstable governments, nationalisation, restrictions on foreign ownership, laws that prevent investors from getting their money out of a country and legal systems that do not protect property rights as well as the laws in developed countries. Market risks may also include economies that concentrate in only a few industries, securities issues that are held by only a few investors, liquidity issues and limited trading capacity in local exchanges and the possibility that markets or issues may be manipulated by foreign nationals who have inside information. The frequency, availability and quality of financial information about investments in emerging markets varies. The Fund has limited rights and few practical remedies in emerging markets and the ability of authorities in developed countries to bring enforcement actions in emerging markets may be limited, and the Fund's passive investment approach does not take account of these risks. All of these factors can make emerging market securities more volatile and potentially less liquid than securities issued in more developed markets.

## **8.14 Special Risk Considerations of Investing in Chinese Issuers**

Investments in securities of Chinese issuers, including issuers located outside of China that generate significant revenues from China, involve risks and special considerations not typically associated with investments in the securities markets of developed countries. These risks, include, among others, (i) more frequent (and potentially widespread) trading suspensions and government interventions with respect to Chinese issuers resulting in lack of liquidity and in price volatility, (ii) currency revaluations and other currency exchange rate fluctuations or blockage, (iii) the nature and extent of intervention by the Chinese government in the Chinese securities markets, whether such intervention will continue and the impact of such intervention or its discontinuation, (iv) the risk of nationalization or expropriation of assets, (v) the risk that the Chinese government may decide not to continue to support economic reform programs, (vi) limitations on the use of brokers, (vii) higher rates of inflation, (viii) greater political, economic and social uncertainty, (ix) market volatility caused by any potential regional or territorial conflicts or natural disasters and (x) the risk of increased trade tariffs, embargoes, sanctions, investment restrictions and other trade limitations. Certain securities are, or may in future become restricted, and the Fund may be forced to sell such restricted securities and incur a loss as a result. In addition, the economy of China differs, often unfavourably, from the global developed in such respects as structure, general development, government involvement, wealth distribution, rate of inflation, growth rate, interest rates, allocation of resources and capital reinvestment, among others. The Chinese central government has historically exercised substantial control over virtually every sector of the Chinese economy through administrative regulation and/or state ownership and actions of the Chinese central and local government authorities continue to have a substantial effect on economic conditions in China. In addition, previously the Chinese government has from time to time taken actions that influence the prices at which certain goods may be sold, encourage companies to invest or concentrate in particular industries, induce mergers between companies in certain industries and induce private companies to publicly offer their securities to increase or continue the rate of economic growth, control the rate of inflation or otherwise regulate economic expansion. The Chinese government may do so in the future as well, potentially having a significant adverse effect on economic conditions in China.

Investors should note that certain auditing and accounting practices within the People's Republic of China may not be of a similar standard to those which would be expected in a more developed economy and may therefore impact the quality of information provided to third parties seeking to invest in Chinese domiciled companies. In recent years, certain auditing practices have resulted in an inability of entities (such as the US Public Company Accounting Oversight Board) to inspect audit work papers in China



which may give rise to concerns regarding the ability to promote and enforce disclosure standards which would be expected of developed market companies and the availability of reliable financial information on which to base investment decisions. Ineffective or otherwise inadequate internal and external audit functions may increase the likelihood that fraud and other issues within a company are not detected and/or that material information used as part of a company's valuation and/or the Manager's investment decision making is inaccurate. Investors should note that the Fund's rights to seek redress may, as a matter of law or practicality, be limited and the rights of the Fund as an investor in a Chinese company may be limited.

#### **8.15 Foreign Currency Risk**

In the event that the Fund's assets are invested in securities denominated in currencies other than the Base Currency, all or a portion of the proceeds received by the Fund from its investments and/or the revenues received from such underlying issuer will generally not be in the Base Currency. The Fund's exposure to foreign currencies and changes in the value of foreign currencies versus the Base Currency may result in reduced returns for the Fund. Moreover, the Fund may incur costs in connection with conversions between the Base Currency and foreign currencies. The value of an emerging market country's currency may be subject to a high degree of fluctuation. This fluctuation may be due to changes in interest rates, investors' expectations concerning inflation and interest rates, the emerging market country's debt levels and trade deficit, the effects of monetary policies issued by foreign governments, central banks or supranational entities, the imposition of currency controls or other national or global political or economic developments. The economies of certain emerging market countries can be significantly affected by currency devaluations. Certain emerging market countries may also have managed currencies which are maintained at artificial levels relative to the Base Currency rather than at levels determined by the market. This type of system could lead to sudden and large adjustments in the currency, which in turn, can have a negative effect on the Fund and its investments.

#### **8.16 Concentration Risk**

The Fund's assets may be concentrated in a particular sector or sectors or industry or group of industries to the extent the Index concentrates in a particular sector or sectors or industry or group of industries. Accordingly, the Fund may be subject to the risk that economic, political or other conditions that have a negative effect on a particular industry or sector will negatively impact the Fund to a greater extent than if the Fund's assets were invested in a wider variety of sectors or industries. The Fund's assets may be concentrated in a small number of stocks and/or may be concentrated in particular sectors which may subject the Fund to more risk than investments in a diverse group of companies and sectors.

The Fund invests in one country and thus will have greater exposure to market, political, legal, economic and social risks of China than a sub-fund which diversifies country risk across a number of countries. There is a risk that China may impose foreign exchange and/or conversion controls or regulate in such a way as to disrupt the way the markets in China operate. The consequences of these actions, and others such as confiscation of assets, could be to hinder the normal operation of the Fund with regard to the purchase and sale of investments and possibly the ability to meet redemptions. In such cases, the Fund may be suspended and investors may not be able to acquire or redeem Shares. These and other actions could also adversely affect the ability to price investments in the Fund which could affect the Net Asset Value of the Fund in a material way. However, diversification across a number of countries could introduce other risks such as currency risk. In certain countries, and for certain types of investments, transaction costs are higher and liquidity is lower than elsewhere.

## 9. DIVIDEND POLICY

It is not proposed that the Directors will declare a dividend in respect of the Fund. Full details of any change to the Fund's dividend policy will be provided in an updated Supplement and all Shareholders will be notified in advance.

## 10. KEY INFORMATION FOR PURCHASING AND SELLING

|                         |   |
|-------------------------|---|
| <b>Base Currency</b>    | US Dollar (USD).  |
| <b>Business Day</b>     | means every day other than a Saturday or Sunday (or such other day(s) as the Directors may from time to time determine and notify in advance to Shareholders).  |
| <b>Dealing Day</b>      | In general, each Business Day will be a Dealing Day. However, certain Business Days will not be Dealing Days where, in the sole determination of the Manager: (i) markets on which the Fund's investments are listed or traded, or markets relevant to the Index are closed, and/or (ii) there is a public holiday in the jurisdiction in which the Manager or its delegate(s), if applicable, is or are based; provided there is at least one Dealing Day per fortnight. The Dealing Days for the Fund are available at <a href="http://www.vaneck.com">www.vaneck.com</a> . |
| <b>Dealing Deadline</b> | 4:00pm (Irish time) on the Business Day prior to the relevant Dealing Day.  |
| <b>Settlement Date</b>  | In the case of subscription(s), within 2 Business Days of the relevant Dealing Day.<br><br>In the case of repurchases, within 3 Business Days of the relevant Dealing Day.  |
| <b>Valuation Point</b>  | 11:00 p.m. (Irish time) on the relevant Dealing Day.  |
| <b>Website</b>          | <a href="http://www.vaneck.com">www.vaneck.com</a> - Information on portfolio composition and details of the intra-day portfolio value (iNAV) are set out on the website.   |

### Description of the Shares

|                             |   |
|-----------------------------|---|
| <b>Share Class</b>          | A   |
| <b>ISIN</b>                 | IE0000H445G8  |
| <b>Initial Offer Period</b> | The Initial Offer Period shall commence at 9:00 a.m. (Irish time) 23 August 2021 and close at 5.00 p.m. (Irish time) on 21 February 2022 as may be shortened or extended by the Directors and notified to the Central Bank. |
| <b>Initial Price</b>        | Approximately USD 20, plus an appropriate provision for Duties and Charges, or such other amount as determined by the Manager and communicated to investors prior to investment.  |

|                                     |   |
|-------------------------------------|---|
| <b>Creation Unit</b>                | 50,000 Shares or such other amount as may be determined by the Directors at their discretion.   |
| <b>Minimum Initial Subscription</b> | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Initial Subscription. |
| <b>Minimum Fund Size</b>            | 50,000 Shares unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Fund Size.              |

## 11. CHARGES AND EXPENSES

The following fees and expenses will be incurred by the Company on behalf of the Fund and will affect the Net Asset Value of the relevant Class of Share of the Fund:

|                    |   |
|--------------------|---|
| <b>Share Class</b> | A   |
| <b>Total Fee</b>   | Up to 0.60% per annum or such lower amount as may be advised to Shareholders from time to time. |

The Total Fee, a percentage of the Net Asset Value of the relevant Class of Shares (plus VAT, if any), is payable by the Company out of the Fund Assets to the Manager. The Total Fee will accrue on each day and will be calculated on each Dealing Day and paid monthly in arrears. The Total Fee will cover all of the ordinary fees, operating costs and expenses payable by the Fund including fees and expenses paid to the Manager, all ordinary costs and expenses connected with the management and operating activities of the Fund, including investment management and advisory fees, Director's fees, registration, transfer agency, administration and custody fees, registrar fees, regulators and auditors and certain legal expenses of the Company. The Total Fee does not include extraordinary costs and expenses (including but not limited to transaction charges, stamp duty or other taxes on the investments of the Company including duty charges for portfolio re-balancing, withholding taxes, commissions and brokerage fees incurred with respect to the Company's investments, interest on any non-overdraft credit facility and charges incurred in negotiating, effecting or varying the terms of such facility, any commissions charged by intermediaries in relation to an investment in the Fund and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the Company all of which will be paid separately out of the assets of the Fund). The cost of establishing the Fund will be borne by the Manager.

Investment in this Fund should be viewed as medium to long term investment.

This section entitled **Charges and Expenses** should be read in conjunction with the sections entitled **General Charges and Expenses** and **Management Charges and Expenses** in the Prospectus.

## 12. REGISTRATION FOR PUBLIC DISTRIBUTION AND LISTING

Application is expected to be made to register the Fund for public distribution in various countries.

Shares have been listed on Euronext Dublin and the London Stock Exchange. Through the operation of such a secondary market, persons who are not Authorised Participants or not able or willing to subscribe for and redeem Creation Units will be able to buy Shares from or sell Shares to other retail investors or market makers, broker/dealers, or other Authorised Participants at prices which should approximate, after currency conversion, the Net Asset Value of the Shares.

### 13. HOW TO BUY AND SELL SHARES

Investors can buy and sell Shares on the secondary market as described above in accordance with the procedures set out in the section entitled **Secondary Market** in the Prospectus.

Investors can otherwise subscribe for or redeem Creation Units in accordance with the procedures set out in the Prospectus.

### 14. SUSTAINABLE FINANCE DISCLOSURE

The Manager has categorised the Fund as meeting the provisions set out in Article 8 of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector ("**SFDR**") for products which promote environmental and/or social characteristics and invest in companies that follow good governance practices, as further described in Annex I of this Supplement. The Fund does not have sustainable investment as its investment objective.

#### 14.1 E&S Characteristics

The following environmental and social characteristics apply to the Fund's investments:

1. The Fund promotes the reduction of the most negative impacts on society and the environment through:
  - Reducing exposure to controversies, by using OWL KPIs "Diversity & Rights", "Human Rights", "Management Ethics" and "Disclosure & Accountability" as part of the OWL Analytics consensus ESG score used in the index selection process.
  - Limiting exposure to carbon risk, by using OWL KPIs "Pollution Prevention" and "Resource Efficiency" as part of the OWL Analytics consensus ESG score used in the index selection process.
2. The Glass Lewis ESG policy guidelines is applied, whereby casted votes concern sustainability matters.

A reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by the Fund.

Compared to a non-ESG fund with similar exposure, this Fund applies mandatory Environmental and Social factors and limits. These are corresponding to the Principle Adverse Impacts specified in the Annex.

#### 14.2 Sustainability Risks

Sustainability risk is the risk that the value of an investment will decline as a result of an environmental, social or governance (ESG) event or circumstance. Ecological events include climate change, scarcity of natural resources and pollution. Social events may include labor issues and product liability. Governance can include themes such as shareholder rights, business ethics, diversity and executive remuneration. Sustainability risks can arise in all kinds of forms. With regard to the theme of climate, for example, there is a distinction between transition risks and physical risks, whereby transition risks can be divided into legal and regulatory risks, technological risks, market risks and reputation risks. In addition, the impact of sustainability risk has various scopes, including company-specific, sector-specific and on country level. The occurrence of a sustainability risk results in other (financial) risks manifesting. This can negatively affect the value of the investment.

Concrete examples of sustainability risks for the Fund are: a company has an overly generous remuneration policy or a remuneration policy that is inconsistent with the interests of the shareholders. Also, a company's reputation can deteriorate as a result of negative publicity about an environmental or labor issue that can cause the value of its stock to decline. The expected impact of sustainability risks on the return depends on the type of sustainability risk that materializes. For developed markets equity portfolios, this expected impact is generally viewed as significant.

### **14.3 Sustainability Risk Integration Features**

The Manager applies the following measures to integrate sustainability risks for this Fund:

#### **Exclusions**

Exclusions apply to this Fund as further outlined in section 2.2 of this Supplement and section 10 of the Prospectus.

#### **Voting**

The Manager can exercise his voting rights at shareholders' meetings, according to the Proxy Voting Policy. To assist in its responsibility for voting proxies and the overall voting process, the Manager has engaged an independent third party proxy voting specialist, Glass Lewis Europe Limited, which takes also Environmental, Social and Governance factors into account when casting votes.

In particular, the Glass Lewis ESG voting policy is applied:

- On the Environmental side, within others, measures in favour of increased disclosure of a company's environmental risk through company-specific disclosure as well as compliance with international environmental conventions and adherence to environmental principles will be supported. Similarly, the ESG Policy will support proposals requesting companies develop greenhouse gas emissions reduction goals, comprehensive recycling. The ESG Policy will evaluate a company's impact on the environment, in addition to the regulatory risk a company may face by not adopting environmentally responsible policies. Further, the ESG Policy will consider voting against directors for not appropriately overseeing environmental risk.
- On the Social side, the ESG Policy will support several proposals, including but not limited to requesting that a company develop sustainable business practices, such as animal welfare policies, human rights policies, and fair lending policies. Furthermore, the ESG Policy will also generally support enhancing the rights of workers, as well as considering the communities and broader constituents in the areas in which companies do business.
- On the Governance side, the ESG Policy supports, within other aspects, increased shareholder participation and access to a company and its board of directors. Accordingly, the ESG Policy will vote in favour of initiatives that seek to enhance shareholder rights, such as the introduction of majority voting to elect directors, the adoption and amendment of proxy access bylaws, the elimination/reduction of supermajority provisions, the declassification of the board, the submission of shareholder rights' plans to a shareholder vote, and the principle of one share, one vote.

#### **Engagement**

The Manager appointed a third-party engagement specialist, Glass Lewis Europe Limited, for the passive equity funds managed by VanEck Asset Management B.V. The engagement provider

determines the engagement approach in accordance with its engagement policy and based on its engagements' priorities.

**15. OTHER INFORMATION**

New Funds may be created from time to time by the Directors with the prior approval of the Central Bank in which case further Supplements incorporating provisions relating to those Funds will be issued by the Company.

The names of the Funds currently approved by the Central Bank are listed in the Global Addendum.

## **SCHEDULE 1**

### **DISCLAIMERS**

The Fund is not sponsored, endorsed, distributed, sold or promoted by MarketGrader and MarketGrader makes any representation regarding the advisability of investing in the Fund. MarketGrader's only relationship to the Manager is the licensing of the Index which is determined, composed and calculated by MarketGrader without regard to the Fund. MarketGrader has no obligation to take the needs of the Manager or investors in the Fund into consideration in determining, composing or calculating the Index. The inclusion of a particular security in the Index does not reflect in any way an opinion of MarketGrader or its affiliates with respect to the investment merits of such security.

MARKETGRADER SHALL BE A PARTY TO THE TRANSACTION CONTEMPLATED BY THE OFFER IN THIS PDS, AND IS NOT PROVIDING ANY ADVICE, RECOMMENDATION, REPRESENTATION OR WARRANTY REGARDING THE ADVISABILITY OF INVESTING IN THE FUND OR THE ABILITY OF THE FUND'S INVESTMENT PERFORMANCE TO TRACK THE INDEX. MARKETGRADER HEREBY EXPRESSLY DISCLAIM ALL WARRANTIES, EXPRESS, STATUTORY OR IMPLIED, REGARDING THIS OFFER AND ANY USE OF THE INDEX, INCLUDING BUT NOT LIMITED TO ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR USE, AND NON-INFRINGEMENT AND ALL WARRANTIES ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING AND USAGE OF TRADE OR THEIR EQUIVALENTS UNDER THE LAWS OF ANY JURISDICTION. UNDER NO CIRCUMSTANCES AND UNDER NO THEORY OF LAW, TORT, CONTRACT, STRICT LIABILITY OR OTHERWISE, SHALL MARKETGRADER OR ANY OF ITS AFFILIATES BE LIABLE TO ANY PERSON FOR ANY DAMAGES, REGARDLESS OF WHETHER THEY ARE DIRECT, INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OF ANY CHARACTER, INCLUDING DAMAGES FOR TRADING LOSSES OR LOST PROFITS, OR FOR ANY CLAIM OR DEMAND BY ANY THIRD PARTY, EVEN IF MARKETGRADER KNEW OR HAD REASON TO KNOW OF THE POSSIBILITY OF SUCH DAMAGES, CLAIM OR DEMAND.

"MARKETGRADER" is trademarks of MarketGrader.

The indicative optimised portfolio value/intra-day portfolio value is calculated by S&P Global Ltd.

## ANNEX I

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** VanEck New China UCITS ETF  
**Legal entity identifier:** 25490078IX1AAY2DHK87

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Does this financial product have a sustainable investment objective?

| <input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> <b>Yes</b> |  | <input type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b> |   |
|---|--|---|---|
| <input type="checkbox"/>  | It will make a minimum of <b>sustainable investments with an environmental objective</b> : ____% | <input type="checkbox"/>  | It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments |
| <input type="checkbox"/>  | in economic activities that qualify as environmentally sustainable under the EU Taxonomy         | <input type="checkbox"/>  | with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy  |
| <input type="checkbox"/>  | in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  | <input type="checkbox"/>  | with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy   |
| <input type="checkbox"/>  | It will make a minimum of <b>sustainable investments with a social objective</b> : ____%         | <input checked="" type="checkbox"/>   | It promotes E/S characteristics, but <b>will not make any sustainable investments</b>   |



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

### What environmental and/or social characteristics are promoted by this financial product?

The following environmental and social characteristics apply to the Fund's investments:

- The Fund promotes the reduction of the most negative impacts on society and the environment through:
  - Reducing exposure to controversies, by using OWL KPIs "Diversity & Rights", "Human Rights", "Management Ethics" and "Disclosure & Accountability" as part of the OWL Analytics consensus ESG score used in the index selection process.
  - Limiting exposure to carbon risk, by using OWL KPIs "Pollution Prevention" and "Resource Efficiency" as part of the OWL Analytics consensus ESG score used in the index selection process.
- The Glass Lewis ESG policy guidelines is applied, whereby casted votes concern sustainability matters.



A reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by the financial product.  
Compared to a non-ESG fund with similar exposure, this Fund applies mandatory Environmental and Social factors and limits. These are corresponding to the Principle Adverse Impacts specified below.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The Fund measures the following sustainability indicator:

| Indicator  |
|--|
| The Total GHG Emissions (Scope 1+2+3) Mio EUR Enterprise Value |

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

This question and the related questions below are not applicable as the Fund does not intend to make sustainable investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable.

- ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

Not applicable.

- ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

Not applicable.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

**Does this financial product consider principal adverse impacts on sustainability factors?**

- ☒ Yes, the Fund considers principal adverse impacts on sustainability factors.
- ☐ No

The Fund considers the following principal adverse impacts on sustainability:

1. Greenhouse Gas (GHG Emissions):
  - Part of ESG score screening via OWL KPIs "Pollution Prevention" (including Carbon Gas Pollutant reporting, Emissions Reduction Actions and Policies) and "Resource Efficiency" (including Carbon-based Energy Use, Carbon Based Energy Productivity)
2. Biodiversity
  - Part of ESG score screening via OWL KPI "Resource Efficiency" (Biodiversity Controversies)
3. Water
  - Part of ESG score screening via OWL KPI "Resource Efficiency" (Water Use, Water Efficiency and Water Reduction Performance)
4. Waste
  - Part of ESG score screening via OWL KPIs "Pollution Prevention" (Resource Reduction Policies) and "Resource Efficiency" (including Waste Reduction, Resource Recycling)
5. Social and employee, respect for human rights, anti-corruption and anti-bribery matters
  - ESG score includes ratings for controversial practices that have adverse impacts on society and the environment in line with established expectations for Responsible Business Conduct as set forth in the core normative framework consisting of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights, all of which are embedded in the Sustainable Development Goals.
  - Part of the ESG score screening via OWL KPIs "Diversity & Rights", "Human Rights", "Management Ethics" and "Disclosure & Accountability".

Additionally, principal adverse impacts are considered as part of the Glass Lewis ESG tilted voting policy. whereby casted votes regard the environment, energy efficiency, the use of renewable energy sources, enhancing the rights of workers, violation of international human rights standards, gender pay inequity and board diversity.

A description on how the Fund has considered Principal Adverse Impacts on sustainability factors in the preceding year is included in the Fund's annual report.



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

#### What investment strategy does this financial product follow?

The Fund's investment objective is to replicate, before fees and expenses, the price and yield performance of the MarketGrader New China ESG Index. The Fund seeks to invest in 100 China-domiciled most fundamentally sound companies (being companies with good financial results based on an analysis of each company's income statements, statements of cash flows and balance sheets) with the most solid growth prospects in China's new economy sectors (Consumer Discretionary, Consumer Staples, Health Care and Technology) according to the MarketGrader methodology. The companies selected into the Index are compliant (above median performers) with Environmental, Sustainability and Governance (ESG) criteria based on the OWL Analytics consensus ESG Score.

In addition, the Glass Lewis ESG-tilted voting policy is applied, whereby casted votes in shareholder meetings of companies in the portfolio concern sustainability matters.

- **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The Fund's investments must comply with the following binding element:

- Rank of companies above median, in terms of OWL Analytics consensus ESG score, which scores and ranks all companies in its coverage universe across thirty core metrics, including 12 key performance indicators (KPIs), that quantify company behavior across Environmental, Social and Governance factors. .

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

The Fund does not commit to a minimum rate to reduce the scope of investments prior to the application of the investment strategy.

- **What is the policy to assess good governance practices of the investee companies?**

Good governance relates to sound management structures, employee relations, remuneration of staff and tax compliance.

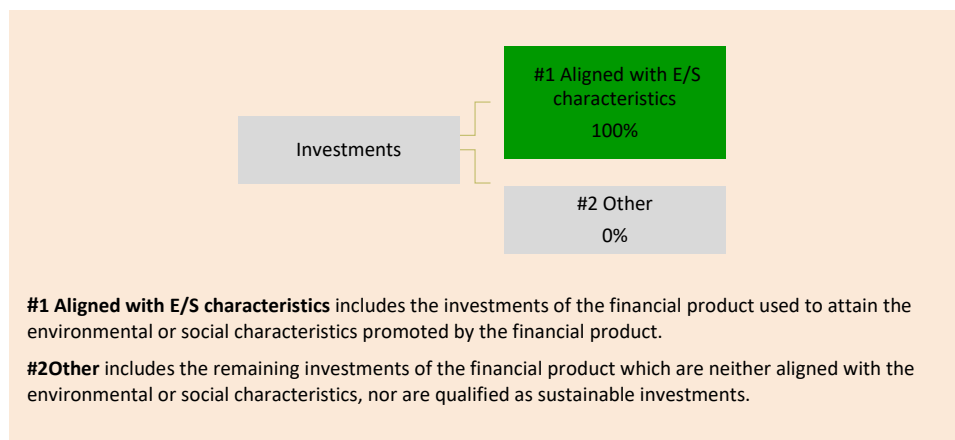
The Fund screens companies based on their OWL Analytics consensus ESG score, which includes KPIs "Board Effectiveness", "Management Ethics" and "Disclosure and Accountability".

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



**Asset allocation** describes the share of investments in specific assets.

**What is the asset allocation planned for this financial product?** The Fund invests in direct financial instruments of which 100% is aligned with the environmental and social characteristics that it promotes.



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Fund does not invest in derivatives. Therefore this question is not applicable.

- **To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

While the Fund promotes environmental and social characteristics within the meaning of Article 8 of the SFDR, it does not currently commit to investing in any "sustainable investments" within the meaning of the SFDR. It should be noted that the investments underlying this Fund do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation and, as such, the Fund's portfolio alignment with such Taxonomy Regulation is not calculated. It follows that the minimum extent of sustainable investments with an aligned environmental objective aligned with the Taxonomy Regulation is currently 0%.

The "do no significant harm" principle applies only to those investments underlying the Fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?**

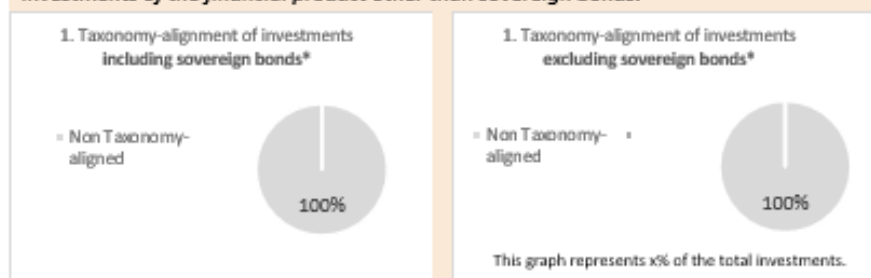
☐ Yes

☐ In fossil gas

☐ In nuclear energy

☒ No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

● **What is the minimum share of investments in transitional and enabling activities?**

The minimum share of investments in transitional and enabling activities is 0%.



● **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The minimum share of non-aligned environmental sustainable investments is 0%.



● **What is the minimum share of socially sustainable investments?**

The minimum share of socially sustainable investments 0%.



● **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Not applicable, all investments are aligned with the environmental and social characteristics.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

● **Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

As a passive investments strategy, the Fund has designated the MarketGrader New China ESG Index as reference benchmark to meet the environmental and social characteristics that it promotes.

● **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Sustainability factors are considered as part of the OWL Analytics consensus ESG score used for screening that is included in the reference benchmark and assessed at any rebalancing of the underlying Index. By means of this screening the Fund takes sustainability factors relating to greenhouse gas emissions, biodiversity, water, waste, social and employee, respect for human rights, anti-corruption and anti-bribery matters into account.

For detailed information, please refer to the question “Does this financial product consider principal adverse impacts on sustainability factors?”.

● **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

In order to seek to achieve its investment objective, the investment policy of the Fund is to use a replication strategy by investing directly in the underlying equity securities that consists of the component securities of the Index. The Fund is passively managed. The Fund’s Manager, in order to ensure the alignment with the ESG characteristics that it promotes, monitors that the holdings are screened against the underlying Index’s exclusion by means of:

- Replication by the Portfolio Management Team of the Index based on the Index rules. Those also contain the requirements related to Norm-based research and Controversial sector involvement screenings (tobacco, fossil fuels, thermal coal mining, gambling, oil sands, civilian firearms, military equipment and services, and nuclear power), as coded in the Bloomberg Compliance Manager system. The Index components are periodically rebalanced by the Index provider.
- Reporting of any breaches of the Index rules by the Legal and Compliance Team, in line with VanEck’s policies and procedures, which are established to assess the alignment of the funds’ investments with the Index and to undertake recovery measures where necessary.
- Periodic confirmation on ESG integration by the Index provider as part of the regular due diligence.

- Establishment of an ESG Committee which periodically reviews the compliance of the Fund's characteristics with the current regulation and which goal is to establish, maintain and further develop and monitor ESG strategies offered by VanEck. The ESG Committee is composed by the managing directors and at least one member of each department.
- Appointment of a proxy voting specialist - Glass Lewis Europe Limited - to exercise voting rights for all equity funds also on ESG factors. VanEck is periodically informed by the service provider on the voting activities.
- Appointment of a third-party engagement specialist - Glass Lewis Europe Limited - for the passive equity funds managed by VanEck Asset Management B.V. The engagement provider determines the engagement approach in accordance with its engagement policy and based on its engagements' priorities.

● ***How does the designated index differ from a relevant broad market index?***

The Index differs from a generic broad market index in following ways:

- Thematic investment approach: companies from China's new economy sectors - Consumer Discretionary, Consumer Staples, Health Care and Technology;
- Fundamental investment approach: companies with good financial results based on an analysis of each company's income statements, statements of cash flows and balance sheets according to MarketGrader methodology;
- ESG Screening: companies eligible for the index inclusion should rank above median in terms of OWL Analytics consensus ESG score, which considers various Environmental, Human Rights, Labour and Governance indicators.

● ***Where can the methodology used for the calculation of the designated index be found?***

Information on the methodology can be found on the index provider's website:  
[https://www.marketgrader.com/indexes/overview/MG\\_New\\_China\\_ESG](https://www.marketgrader.com/indexes/overview/MG_New_China_ESG)



**Where can I find more product specific information online?**

More product-specific information can be found on the website:  
<https://www.vaneck.com/ie/en/cnew>.

**VANECK UCITS ETFs plc**

**Supplement dated 20 December 2024**

**for**

**VanEck Sustainable Future of Food UCITS ETF**

This Supplement contains specific information in relation to the **VanEck Sustainable Future of Food UCITS ETF** (the **Fund**), a sub-fund of VanEck UCITS ETFs plc (the **Company**), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank pursuant to the Regulations.

**This Supplement forms part of, may not be distributed unless accompanied by (other than to prior recipients of the Prospectus of the Company dated 20 December 2024, as may be amended, supplemented, or modified from time to time), and should be read in conjunction with the Prospectus for the Company.**

THIS DOCUMENT IS IMPORTANT. YOU SHOULD NOT PURCHASE SHARES IN THE FUND DESCRIBED IN THIS SUPPLEMENT UNLESS YOU HAVE ENSURED THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT AND THE RISKS INVOLVED AND ARE SATISFIED THAT THE INVESTMENT IS SUITED TO YOUR CIRCUMSTANCES AND OBJECTIVES, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU ARE RECOMMENDED TO TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR.

The Directors of the Company whose names appear in the section entitled **Directors of the Company** in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

**Shares purchased on the secondary market cannot usually be sold directly back to the Fund. Investors must buy and sell Shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value when buying Shares and may receive less than the current Net Asset Value per Share when selling them.**

**An investment in the Fund, whose securities comprise holdings in emerging markets, should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors.**

Certain risks attached to investments in the Fund are set out in the Prospectus in the section entitled Risk Factors.

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## **1 IMPORTANT INFORMATION**

### **1.1 Profile of a typical investor**

A typical investor is expected to be an informed investor who is able to bear capital and income risk, and should view investment in the Fund as a medium to long term investment. A typical investor is expected to be an investor who wishes to take exposure to the markets covered by the Fund's investment policy and is prepared to accept the risks associated with an investment of this type, including the volatility of such market.

### **1.2 General**

This Supplement sets out information in relation to the Shares and the Fund. You must also refer to the Prospectus which is separate to this document and describes the Company and provides general information about offers of shares in the Company. You should not take any action in respect of the Shares unless you have received a copy of the Prospectus. Should there be any inconsistency between the contents of the Prospectus and this Supplement, the contents of this Supplement will, to the extent of any such inconsistency, prevail. This Supplement and the Prospectus should both be carefully read in their entirety before any investment decision with respect to Shares is made.

The Shares of the Fund have been admitted to listing on the Official List and trading on the Regulated Market of Euronext Dublin. This Supplement together with the Prospectus includes all information required to be disclosed by Euronext Dublin listing requirements and comprise listing particulars for the purpose of listing the Shares of the Fund on Euronext Dublin.

Neither the admission of Shares of the Fund to listing on the Official List and to trading on the Regulated Market of Euronext Dublin nor the approval of the listing particulars pursuant to the listing requirements of Euronext Dublin shall constitute a warranty or representation by Euronext Dublin as to the competence of service providers to or any other party connected with the Fund, the adequacy of information contained in the listing particulars or the suitability of the Fund for investment purposes.

As of the date of this Supplement, the Company does not have any loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

### **1.3 Suitability of Investment**

You are advised to inform yourself as to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Shares.

The Shares are not principal protected. The value of the Shares may go up or down and you may not get back the amount you have invested. See the section entitled Risk Factors of the Prospectus and the section entitled Risk Factors of this Supplement for a discussion of certain risks that should be considered by you.

An investment in the Shares is only suitable for you if you are a sophisticated investor and (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from

such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

## **1.4 Distribution of this Supplement and Selling Restrictions**

Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus and is not authorised in any jurisdiction after publication of the audited annual report of the Company unless a copy of the then latest annual report and, if distributed after the semi-annual report has been produced, a copy of the then latest published semi-annual report and unaudited accounts is made available in conjunction with the Prospectus and this Supplement. The distribution of this Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. If you receive a copy of this Supplement and/or the Prospectus you may not treat such document(s) as constituting an offer, invitation or solicitation to you to subscribe for any Shares unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without compliance with any registration or other legal requirement other than those with which the Company has already complied. If you wish to apply for the opportunity to purchase any Shares it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile.

## **2 INVESTMENT OBJECTIVE AND POLICIES**

### **2.1 Investment Objective**

The Fund's investment objective is to replicate the price and the performance, before fees and expenses, of an index that supports sustainable food production and development and provides exposure to the performance of companies involved in food and agricultural technology, organic foods, or food companies that display high standards in food waste, food safety or environmental impact. The Fund has a sustainable investment objective.

### **2.2 Investment Policy**

In order to seek to achieve its investment objective, the Manager will normally use a replication strategy by investing directly in the underlying equity securities of the MVIS® Global Future of Food ESG Index (the "**Index**") being the stock, American depository receipts (ADRs), and global depository receipts (GDRs). Such equity securities must be issued by companies who generate at least 50% (25% for current components) of their revenues from the following sub-themes: (A) Plant-Based or Cultured Meat, Protein or Dairy alternatives; (B) Vertical or Urban Farming - this includes agricultural companies that grow crops vertically, in greenhouses or specialize in localized farming; (C) Precision Agriculture - this includes irrigation and smart water grid equipment, greenhouse equipment, or autonomous/robotic farming or agriculture-related equipment but excludes agricultural chemicals and plant seeds; (D) Food Flavors and Functional Ingredients; or (E) Organic or Health Foods and be listed or traded on the Markets referred to in Appendix II of the Prospectus.

In addition, companies that meet certain ESG standards related to food and agriculture sustainability and safety are also included as follows and referred to as sub-theme F. Companies that are eligible under these conditions must derive at least 50% (25% for current components) of their revenues from agricultural services or agricultural products (limited to fruits, vegetables, grains and dairy), or packaged plant/grain-based or dairy food products. Companies must display a positive environmental impact by having at least one score larger than zero, and the other score at least zero, related to the Contribution and Achievement of Sustainable Agriculture and Forestry or Agriculture Climate Change Contribution. Further, companies must rank at least 2.5 (on a scale of 1-4) in: A.) Food Waste OR B.) Food Safety

and Food Safety Certification Program and be listed or traded on the Markets referred to in Appendix II of the Prospectus.

The Fund will seek the prior approval of the Central Bank should the Fund seek to avail of the increased limits under Regulation 71(2) of the UCITS Regulations In exceptional market circumstances, such as, but not limited to, a material price movement impacting the weighting of an underlying equity security of the Index or disruptive market conditions or extremely volatile markets, an underlying equity security of the Index which is held by the Fund may exceed the regulatory limits intra rebalancing dates which would result in the Fund seeking to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. Where it is not practical or cost efficient for the Fund to fully replicate the Index, the Manager may utilise an optimised sampling methodology and further detail in respect of this approach is set out in the section entitled Investment Approach below.

The Fund may invest up to 15% of its Net Asset Value directly in shares issued by companies listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange. For the avoidance of doubt, the Fund may invest in China A (via Stock Connect), China B and China H shares. China A and China B shares are issued by issuers incorporated in China, which trade on the Shanghai and Shenzhen exchanges, China A are quoted in domestic currency (RMB) and China B are quoted in foreign currencies (such as USD) and are open to foreign investors. China H shares are issued by issuers which are incorporated in China and trade on the Hong Kong stock exchange. The Fund may invest more than 20% of its Net Asset Value in emerging markets.

**The Fund may also (or alternatively) invest in financial derivative instruments (FDIs) which relate to the Index or constituents of the Index.** The FDIs which the Fund may use are futures, options (puts and calls), swaps (including equity swaps and swaps on the Index), currency forwards and non-deliverable forwards (a forward contract that does not require settlement on maturity) (NDFs). Futures and options may be used in order to equitise (use) cash balances pending investment of subscription proceeds or other cash balances held by the Fund to seek to reduce tracking error. Currency forwards and NDFs may be used to hedge currency exposures. The Fund may use FDIs as an alternative to direct investment in the constituents of the Index in order to avail of the related cost or liquidity advantages of FDIs which may, in certain circumstances, be available over the direct investment in the constituents of the Index. The Fund may also use American depository receipts (ADRs) or global depository receipts (GDRs) to gain exposure to equity securities instead of using physical securities in circumstances where, due to local restrictions or quota limitations, it is not possible to hold these directly or where it is otherwise advantageous to the Fund to do so.

The Fund may also invest in ancillary liquid assets and money market instruments which may include bank deposits, depository receipts, certificates of deposit, fixed or floating rate instruments (treasury bills), commercial paper, floating rate notes and freely transferable promissory notes. The ancillary liquid assets, money market instruments and FDI (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus. Investment in ancillary liquid assets and money market instruments may be utilised in a variety of circumstances, including but not limited to, situations such as managing total exposure to cash and borrowing on a short-term basis and in anticipation of participation in a rights offering.

## **2.3 Efficient Portfolio Management**

Investors should note that the Fund may invest in FDIs for efficient portfolio management or hedging purposes only. The Fund may use futures, swaps and currency forwards for the purpose of reducing risk associated with currency exposures within the Fund. This may on occasion lead to an increase in the risk profile of the Fund or result in a fluctuation in the expected level of volatility. Please see the section entitled Risk Factors in the Prospectus in relation to such risks.

The Fund will employ the commitment approach to assess the Fund's global exposure and to ensure that the Fund's use of derivative instruments is within the limits specified by the Central Bank. Global exposure will be calculated daily. While the Fund may be leveraged through the use of the FDIs, any such leverage will not exceed 100% of the Fund's Net Asset Value.

Investment in FDIs is subject to the conditions and limits contained in the CBI UCITS Regulations. Subject to these limits, the Fund may invest in FDIs dealt on any of the regulated markets set out in the list of Markets in Appendix II to the Prospectus (and/or over the counter FDIs (OTCs)) which will be used for investment, efficient portfolio management and/or for hedging purposes.

The Company employs a risk management process which enables it to accurately measure, monitor and manage at any time the various risks associated with FDIs and their contribution to the overall risk profile of the portfolio of assets of the Fund. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments. The Fund will only invest in FDIs in accordance with the risk management policy prepared and submitted to the Central Bank in accordance with the Central Bank requirements.

The Fund may invest in FDIs dealt OTC provided that the counterparties to OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

Position exposure to the underlying assets of FDIs or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the CBI UCITS Regulations.

In addition, the Fund may enter into stocklending, repurchase and reverse repurchase agreements for efficient portfolio management purposes only subject to the conditions and the limits set out in the CBI UCITS Regulations. Investors are referred to the section entitled Use of Financial Derivative Instruments and Efficient Portfolio Management in the Prospectus.

## **2.4 Securities Financing Transactions**

While the Company may enter into securities financing transactions and repurchase agreements (SFTs) (as defined under Article 3 (11) of Regulation (EU) 2015/2365) (the SFTR), it is not anticipated that the Fund will enter into any SFTs. However, in the event that the Fund contemplates entering into such transactions, investors will be provided with further details of the structure and use of such transactions, together with any other information required to be disclosed to investors in accordance with Articles 13 and 14 of the SFTR. The Supplement will be updated accordingly in the event that the Fund will enter into any SFTs.

## **3 INVESTMENT APPROACH**

In order to seek to achieve its investment objective, the investment policy of the Fund is to use a replication strategy by investing directly in the underlying equity securities that consists of the component securities of the Index. The Fund will be 'passively' managed.

Where full replication is not possible, the Fund will invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities that generally replicate the Index. However, under various circumstances, it may not be practicable and possible to invest in such equity securities in proportion to their weightings in the Index. It is not expected that the Fund would invest in securities outside the Index under normal circumstances. In extraordinary circumstances the Fund may use such other techniques including, but not limited to, representative or "optimised" sampling to gain

access to stocks which provide economic characteristics similar to the security in the Index. There also may be instances, for example if one or more securities are suspended from trading or in situations where the Fund is forced to liquidate particular securities, in which the Manager may choose to overweight a security in the Index, purchase securities not in the Index which the Manager believes are appropriate to substitute for certain securities in the Index or utilise other investment techniques in seeking to replicate, before fees and expenses, the price and yield performance of the Index. The Fund may sell securities that are represented in the Index in anticipation of their removal from the Index or purchase securities not represented in the Index in anticipation of their addition to the Index.

Anticipated tracking error is based on the expected volatility of differences between the returns of the Fund and the returns of the Index. For a physically replicating ETF, one of the primary drivers of tracking error is the difference between the Fund's holdings and index constituents. Cash management, trading costs from rebalancing and withholding tax or stamp duty suffered by the Fund on any income received from its Investments can also have an impact on tracking error as well as the return differential between the ETF and the benchmark index. The impact can be either positive or negative depending on the underlying circumstances. The anticipated tracking error of the Fund is not a guide to its future performance. The annualised tracking error envisaged is not anticipated to exceed 0.20% under normal market conditions.

#### 4 INFORMATION ON THE INDEX

The Index is a global index that tracks the performance of companies involved in food and agricultural technology, organic foods, or food companies that display high standards in food waste, food safety or environmental impact. This includes companies with at least 50% (25% for current components) of their revenues from the following sub-themes: **(A)** Plant-Based or Cultured Meat, Protein or Dairy alternatives; **(B)** Vertical or Urban Farming - this includes agricultural companies that grow crops vertically, in greenhouses or specialize in localized farming; **(C)** Precision Agriculture - this includes irrigation and smart water grid equipment, greenhouse equipment, or autonomous/robotic farming or agriculture-related equipment but excludes agricultural chemicals and plant seeds; **(D)** Food Flavors and Functional Ingredients; or **(E)** Organic or Health Foods - this includes packaged foods, or agricultural products but excludes meat, poultry, fish or vitamins.

In addition companies that meet certain ESG standards related to food and agriculture sustainability and safety are also included as follows and referred to as sub-theme F. Companies that are eligible under these conditions must derive at least 50% (25% for current components) of their revenues from agricultural services or agricultural products (limited to fruits, vegetables, grains and dairy), or packaged plant/grain-based or dairy food products. Companies must display a positive environmental impact by having at least one score larger than zero, and the other score at least zero, related to the Contribution and Achievement of Sustainable Agriculture and Forestry or Agriculture Climate Change Contribution. Further, companies must rank at least 2.5 (on a scale of 1-4) in: A.) Food Waste OR B.) Food Safety and Food Safety Certification Program.

The Index considers ESG factors, as described below and further detailed in the Index methodology available on the Index Providers website. The Index Provider utilizes ESG data provided by Institutional Shareholder Services group of companies (ISS). ISS provides the Index Provider with high-quality data, analytics and insight, including country ESG research and ratings enabling the Index Provider to identify material social and environmental risks and opportunities. In particular, data standards used by the Index Provider are:

- Data Input: MarketVector Indexes sources ESG data externally from ISS. Where data is not available, best efforts is made to model required data.

- Verification and quality of data: The provider of ESG-related data input is selected by the Index Provider based on an assessment of its existing processes in order to ensure the reliability and representativeness of the ESG-related data. The data provider has established processes in accordance with accepted and established market standards that ensure the permanent quality and reliability of the ESG-data provided.
- Reference standards: ISS Norm-Based Research framework consists of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights and is embedded in the Sustainable Development Goals.

The Index does not consider companies that violate certain ESG criteria included in the following categories (binding criteria):

1. Norm-based research:

- Thematic areas: Union Rights, Workplace Discrimination, Bribery, Child Labour, Environmental Protection, Fundamental Human Rights, Forced Labour, Labour Standards, Money Laundering. Companies with a Case Severity Indicator score of “Severe” or “Very Severe” are not included in the portfolio. The “Severe” value identifies instances where the company is reportedly causing/contributing to significant adverse impact.

The Case Severity Indicator is a measure of the reported risk or impact on society or the environment and takes into account the degree of corporate involvement. The other values which refer to severity are indicated in the Norm-based Research Methodology, as:

- “Moderate”: identifies instances where the company is causing/contributing to adverse impact or linked to significant/critical adverse impact.
- “Potential”: identifies instances where the impact and/or corporate involvement have not been clearly determined.

When companies are identified as involved in Gender Discrimination, Racial Discrimination and are listed on the AFL-CIO Boycott List (identified by “T”), are also not included in the portfolio.

- The overall Norm-based research score (“NBSOverallScore”), assigning a 1-10 rating score to an issuer based on the issuer’s link with any violations of international standards. The Index Provider excludes from the investable universe the companies which are assessed with a score of 9 or 10.
  - The overall Norm-based research Severity Indicator score (“NBSOverallSeverityScore”), which enables the inclusion in the portfolio of companies with a non “Severe” or “Very Severe” score.
2. Controversial weapons, which takes into consideration the involvement in: Anti-personnel Mines, Biological Weapons, Chemical Weapons, Cluster Munitions, Depleted Uranium, Incendiary Weapons, Nuclear Weapons Outside NPT, Nuclear Weapons Inside NPT and White Phosphorus Weapons. A 0% involvement threshold is applied for production of controversial weapons or supply of critical components for them.
3. Tobacco production and civilian firearms: a 0% revenue threshold is applied.
4. Exclusions based on violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.

5. Thermal Coal Mining and Oil sands: a 1% involvement threshold is applied.
6. Fossil fuels, nuclear power, military equipment and services, and gambling: a 5% revenue threshold is applied.
7. Oil and gas power generation and coal power generation: a 50% of combined revenue is applied. A company is considered to be ESG compliant if it satisfies the ESG screening criteria set forth by the Index Provider. Furthermore, the companies that are not covered by ISS or for which all relevant data fields are not collected by ISS may be eligible for inclusion. In these cases, the Index Provider will review the impact and will act on a best-efforts basis to ensure data coverage by performing qualitative data research through the review of relevant publicly available information of the respective company.

The Index employs a capping scheme to ensure diversification by assigning weights to components which cannot exceed 8%.

- 1 All companies are ranked by their free-float market capitalisation. The maximum weight for any single stock is 8%. If a stock exceeds the maximum weight, then the weight will be reduced to the maximum weight and the excess weight shall be redistributed proportionally across all other index constituents. This process is repeated until no stocks have weights exceeding the respective maximum weight.
- 2 The 8%-cap weighting scheme will be applied to the largest stocks and the excess weight after each step shall be redistributed across all other (uncapped) stocks in the index on a proportional basis:
  - If the largest two stocks exceed 8%, both will be capped at 8%.
  - If the 3rd largest stock exceeds 7%, it will be capped at 7%.
  - If the 4th largest stock exceeds 6.5%, it will be capped at 6.5%.
  - If the 5th largest stock exceeds 6%, it will be capped at 6%.
  - If the 6th largest stock exceeds 5.5%, it will be capped at 5.5%.
  - If the 7th largest stock exceeds 5%, it will be capped at 5%.
  - If any other stock exceeds 4.5%, it will be capped at 4.5%.
- 3 Index components belonging to sub-themes D or F above, are capped at 4.5%. The components of the Index are reviewed on a quarterly basis.

The reviews are based on the closing data on the last business day in February, May, August and November. If a company does not trade on the last business day in February, May, August or November, the last available price for this company will be used.

The underlying index data (e.g. new number of shares, new free-float factors and new weighting cap factors) is announced on the second Friday in a quarter-end month (i.e. March, June, September and December). The weighting cap factors are based on closing data of the Wednesday prior to the second Friday in a quarter-end month (i.e. March, June, September and December).

Changes to the Index will be implemented and based on the closing prices of the third Friday of every quarter-end month (i.e. March, June, September and December). If the third Friday is not a business day, the review will take place on the last business day before the third Friday. If a company does not trade on the third Friday of a quarter-end month, then the last available price for this company will be used. Changes become effective on the next business day. The target coverage of the Index is at least 90% of the free-float market capitalisation of the investable universe with at least 35 companies.

The following steps will be followed and form the Index review procedure:

- 1 All stocks in the investable universe are sorted in terms of free-float market capitalisation in descending order
- 2 Stocks covering the top 85% of the free-float market capitalisation of the investable universe qualify for selection.
- 3 Existing components between the 85th and 98th percentiles also qualify for the Index.
- 4 If the coverage is still below 90% or the number of components in the Index is still below 35, the largest remaining stocks will be selected until coverage of at least 90% is reached and the number of stocks equals 35.
- 5 In case the number of eligible companies is below 35, additional companies are added by the Index Owner's decision based on the next largest companies that fit the description of companies that meet the business activity, product, or service offering criteria are considered for inclusion and are closest to meeting the liquidity criteria as described above, until the number of stocks equals 35.

For all corporate events that result in a stock deletion from the Index, the deleted stock will be replaced with the highest ranked non-component on the most recent selection list immediately only if the number of components in the Index would drop below 20. The replacement stock will be added at the same weight as the deleted stock. Only in case the number of components drops below its minimum due to a merger of two or more index components, the replacement stock will be added with its uncapped free-float market capitalisation weight. In all other cases, i.e. there is no replacement, the additional weight resulting from the deletion will be redistributed proportionally across all other index constituents.

The Information on the Index contains a summary of the principal features of the Index and is not a complete description of the Index. In case of inconsistency between the Information on the Index contained in this summary and the complete description of the Index which can be found on the Index Provider's website, the complete description of the Index prevails. Information on the Index appears on the website identified in the section entitled "Index Provider". Such information may change from time to time and details of the changes will appear on that website.

## 5 INDEX PROVIDER

The Index is published by MarketVector Indexes™ GmbH (the **Index Provider**), an affiliated company of the Manager. The Index Provider has contracted with Solactive AG to maintain and calculate the Index. The Index Provider does not sponsor, endorse, or promote the Fund and bears no liability with respect to the Fund or any security. The Index Provider will notify the Fund of material errors in the Index via the Index Provider's website. The Index Provider is an authorised benchmark administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation.



In accordance with Central Bank requirements, the Company is required to provide details of the Index Provider's website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company has no responsibility for the Index Provider's website and is not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof. Further information in relation to the Index may be found on the Index Provider's website, [www.marketvector.com](http://www.marketvector.com).

The Index Provider utilizes ESG data provided by Institutional Shareholder Services group of companies (ISS). ISS provides the Index Provider with high-quality data, analytics and insight, including country ESG research and ratings enabling the Index Provider to identify material social and environmental risks and opportunities.

## **6 INVESTMENT RESTRICTIONS**

The general investment restrictions as set out in the Prospectus shall apply. The Fund may not invest more than 10% of its Net Asset Value in open-ended collective investment schemes.

The Fund may not invest less than 51% of its Net Asset Value in equity securities which constitute "equity participation" within the meaning of section 2, Article 8 of the German Investment Tax Act (Investmentsteuergesetz). Equity participation in this context consists of shares in corporations traded or admitted for trading on a regulated market or multilateral trading facility (MTF) considered as such by the European Securities and Markets Authority (ESMA). The actual equity participation ratios of target investment funds can be taken into account.

The Fund will not have more than 10% exposure to bonds.

There may be instances where the weighting of any constituent security of the Index could cause the Fund to breach the investment restrictions set out in the Prospectus. If such an event occurs, it is intended that the Fund will purchase other assets, the effect of which will seek to maintain, so far as is possible, the same economic exposure to and the same weighting of the security of that issuer in the Index without breaching its investment restrictions.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders.

## **7 BORROWING**

The Fund may borrow money in an amount up to 10% of the market value of its net assets at any time for the account of any Fund and the Depositary may charge the assets of the Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Fund may acquire currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of the Regulations provided that the offsetting deposit is denominated in the Base Currency of the Fund and equals or exceeds the value of the foreign currency loan outstanding.

## **8 RISK FACTORS**

The general risk factors as set out in the section entitled Risk Factors in the Prospectus apply.

Investors in the Fund should be willing to accept a high degree of volatility in the price of the Fund's Shares and the possibility of significant losses. An investment in the Fund involves a substantial degree of risk. Therefore, you are advised to consider carefully the following risks before investing in the Fund.

An investment in the Fund may be subject to risks which include, among others, material transaction cost from rebalancing activity and fluctuations in the value of securities held by the Fund due to market and economic conditions or factors relating to specific issuers.

The value of investments and the income from them, and therefore the value of and income from the Shares can go down as well as up and an investor may not get back the amount invested. The Fund's exposure is based on the performance of the Index securities which, in turn, is exposed to general market movements (negative as well as positive).

Certain additional risks may also be associated with the Fund, including, without limitation:

#### **8.1 Risk of Investing in the Food Industry**

Companies operating in the food industry may be vulnerable to cyclical declines in the food and agricultural industry. Companies operating in the food industry are subject to intense competition that may negatively impact on such companies' revenues and, accordingly, their market value. Issues in relation to transportation of food produce, for example transportation issues in to and out of the UK in light of Brexit, may impact on the range of goods which may be produced and the profitability of such companies. Natural events such as fire, drought, unseasonal rain, disease, flood, pests as well as human error and interruptions of water supply may have adverse impact on the foods Industry. The valuation of companies operating in the foods Industry may also fluctuate significantly with prices rising or falling sharply due to, for example, changing market supply and demand relationships. Additional or more stringent environmental and food safety laws and regulations may be enacted in the future and such changes could have a material adverse effect on the business of the Fund's portfolio companies.

#### **8.2 Risk of Investing in Agricultural Technology Industry**

The Fund will be sensitive to, and its performance may depend to a greater extent on, the overall condition of the agricultural technology industry. The values of agricultural technology companies are also dependent on the development, protection and exploitation of intellectual property rights and other proprietary information, and the profitability of agricultural technology companies may be affected significantly by such things as the expiration of patents or the loss of, or the inability to enforce, intellectual property rights. Companies in the agricultural technology industry may also be subject to expenses and losses from expensive insurance costs due to the risk of product liability lawsuits, and extensive litigation based on intellectual property, product liability and similar claims. An agricultural technology company's valuation can also be greatly affected if one of its products proves unsafe, ineffective, unprofitable or if such product is not approved by a regulatory authority.

#### **8.3 Risk of Investing in Organic Foods Industry**

Natural events such as fire, drought, unseasonal rain, disease, flood, pests as well as human error and interruptions of water supply may have adverse impact on the organic foods Industry. The valuation of companies operating in the organic foods Industry may also fluctuate significantly with prices rising or falling sharply due to, for example, changing market supply and demand relationships. Organic production of fruits and vegetables is highly prone to adverse weather changes. May frosts, which cause flowers to freeze, and droughts or heavy rainfall during the growing season can cause the highest losses for this group of organic foods. The organic food industry is also susceptible to changes in regulation and the certification process related to organic food production. The imposition of new laws and regulations that restrict and/or otherwise adversely affect companies operating in the organic foods Industry's commercial activities may have an impact on the underlying companies value and thus, the Fund's financial situation and profitability.

#### **8.4 Risk of Investing in Agriculture Companies**

The Fund will be sensitive to, and its performance will depend to a greater extent on, the overall condition of agriculture companies. Economic forces affecting agricultural companies and related industries, including forces affecting agricultural commodity prices, labour costs, and energy and financial markets, as well as government policies and regulations, such as taxes, tariffs, duties, subsidies and import and export restrictions, could adversely affect the Fund's portfolio companies and thus, the Fund's financial situation and profitability. Agricultural production and trade flows are significantly affected by government policies and regulations. In addition, agriculture companies must comply with a broad range of environmental and food safety laws and regulations which could adversely affect the Fund. Additional or more stringent environmental and food safety laws and regulations may be enacted in the future and such changes could have a material adverse effect on the business of the Fund's portfolio companies.

#### **8.5 Risk of Investing in Small- and Medium-Capitalisation Companies**

The securities of small- and medium-capitalisation companies may be more volatile and less liquid than the securities of large companies. As securities of small- and medium-capitalisation companies may experience more market price volatility than securities of larger companies, the net asset value of any fund which invests in small- and medium-capitalisation companies (such as the Fund) may reflect this volatility. Small- and medium-capitalisation companies, when compared with larger companies, may have a shorter history of operations, fewer financial resources, less competitive strength, may have a less diversified product line, may be more susceptible to market pressure and may have a smaller market for their securities. Investment in small- and medium-capitalisation companies may involve comparatively higher investment costs and accordingly investment in the Fund should be viewed as a long term investment. The Fund may however dispose of an investment made by it within a relatively short period of time, for example, to meet requests for redemption of Shares.

#### **8.6 Risk of Investing in Emerging Market Issuers**

Investments in securities of emerging market issuers are exposed to a number of risks that may make these investments volatile in price or difficult to trade. Emerging markets are more likely than developed markets to experience problems with the clearing and settling of trades, as well as the holding of securities by local banks, agents and depositories. Political risks may include unstable governments, nationalization, restrictions on foreign ownership, laws that prevent investors from getting their money out of a country and legal systems that do not protect property rights as well as the laws in developed countries. Market risks may also include economies that concentrate in only a few industries, securities issues that are held by only a few investors, liquidity issues and limited trading capacity in local exchanges and the possibility that markets or issues may be manipulated by foreign nationals who have inside information.

#### **8.7 Special Risk Considerations of Investing in Chinese Issuers**

Investments in securities of Chinese issuers, including issuers located outside of China that generate significant revenues from China, involve risks and special considerations not typically associated with investments in the securities markets of developed countries. These risks, include, among others, (i) more frequent (and potentially widespread) trading suspensions and government interventions with respect to Chinese issuers resulting in lack of liquidity and in price volatility, (ii) currency revaluations and other currency exchange rate fluctuations or blockage, (iii) the nature and extent of intervention by the Chinese government in the Chinese securities markets, whether such intervention will continue and the impact of such intervention or its discontinuation, (iv) the risk of nationalization or expropriation of assets, (v) the risk that the Chinese government may decide not to continue to support economic reform programs, (vi) limitations on the use of brokers, (vii) higher rates of inflation, (viii) greater political, economic and social uncertainty, (ix) market volatility caused by any potential regional or territorial

conflicts or natural disasters and (x) the risk of increased trade tariffs, embargoes, sanctions, investment restrictions and other trade limitations. Certain securities are, or may in future become restricted, and the Fund may be forced to sell such restricted securities and incur a loss as a result. In addition, the economy of China differs, often unfavourably, from the global developed economy in such respects as structure, general development, government involvement, wealth distribution, rate of inflation, growth rate, interest rates, allocation of resources and capital reinvestment, among others. The Chinese central government has historically exercised substantial control over virtually every sector of the Chinese economy through administrative regulation and/or state ownership and actions of the Chinese central and local government authorities continue to have a substantial effect on economic conditions in China. In addition, previously the Chinese government has from time to time taken actions that influence the prices at which certain goods may be sold, encourage companies to invest or concentrate in particular industries, induce mergers between companies in certain industries and induce private companies to publicly offer their securities to increase or continue the rate of economic growth, control the rate of inflation or otherwise regulate economic expansion. The Chinese government may do so in the future as well, potentially having a significant adverse effect on economic conditions in China.

Investors should note that certain auditing and accounting practices within the People's Republic of China may not be of a similar standard to those which would be expected in a more developed economy and may therefore impact the quality of information provided to third parties seeking to invest in Chinese domiciled companies. In recent years, certain auditing practices have resulted in an inability of entities (such as the US Public Company Accounting Oversight Board) to inspect audit work papers in China which may give rise to concerns regarding the ability to promote and enforce disclosure standards which would be expected of developed market companies and the availability of reliable financial information on which to base investment decisions. Ineffective or otherwise inadequate internal and external audit functions may increase the likelihood that fraud and other issues within a company are not detected and/or that material information used as part of a company's valuation and/or the Manager's investment decision making is inaccurate. Investors should note that the Fund's rights to seek redress may, as a matter of law or practicality, be limited and the rights of the Fund as an investor in a Chinese company may be limited.

## **8.8 Special Risk Considerations of Investing in Asian Issuers**

The Fund may invest in securities issued by Asian issuers and, accordingly, may be subject to the risk of investing in such issuers. Investment in securities of issuers in Asia involves risks and special considerations not typically associated with investment in the securities markets of developed countries. Certain Asian economies have experienced over-extension of credit, currency devaluations and restrictions, high unemployment, high inflation, decreased exports and economic recessions. Economic events in any one Asian country can have a significant effect on the entire Asian region as well as on major trading partners outside Asia, and any adverse effect on some or all of the Asian countries and regions in which the Fund invests. The securities markets in some Asian economies are relatively underdeveloped and may subject the Fund to higher action costs or greater uncertainty than investments in more developed securities markets. Such risks may adversely affect the value of the Fund's investments.

## **8.9 Risks specific to investing in China A Shares**

Liquidity risks may be more pronounced for the China A share market than for Chinese securities markets generally because the China A share market is subject to greater government restrictions and control, including trading suspensions. Securities on the China A share market, including securities in the Reference Index, may be suspended from trading without an indication of how long the suspension will last, which may impair the liquidity of such securities. Price fluctuations of China A shares are currently limited to either 5% or 10% per trading day. China imposes restrictions on foreign ownership

or holdings. Such legal and regulator restrictions or limitations may have adverse effects on the liquidity and performance of the Fund holdings as compared to the performance of the Reference Index. This may increase the risk of tracking error and impair the Fund's ability to achieve its investment objective..

#### **8.10 Foreign Currency Risk**

In the event that the Fund's assets are invested in securities denominated in currencies other than the Base Currency, all or a portion of the proceeds received by the Fund from its investments and/or the revenues received from such underlying issuer will generally not be in the Base Currency. The Fund's exposure to foreign currencies and changes in the value of foreign currencies versus the Base Currency may result in reduced returns for the Fund. Moreover, the Fund may incur costs in connection with conversions between the Base Currency and foreign currencies.

The value of an emerging market country's currency may be subject to a high degree of fluctuation. This fluctuation may be due to changes in interest rates, investors' expectations concerning inflation and interest rates, the emerging market country's debt levels and trade deficit, the effects of monetary policies issued by foreign governments, central banks or supranational entities, the imposition of currency controls or other national or global political or economic developments. The economies of certain emerging market countries can be significantly affected by currency devaluations. Certain emerging market countries may also have managed currencies which are maintained at artificial levels relative to the Base Currency rather than at levels determined by the market. This type of system could lead to sudden and large adjustments in the currency, which in turn, can have a negative effect on the Fund and its investments.

#### **8.11 Risk of Issuer-Specific Changes**

The value of individual securities or particular types of securities in the Fund's portfolio can be more volatile than the market as a whole and can perform differently from the value of the market as a whole, which may have a greater impact if the Fund's portfolio is concentrated in a country, group of countries, region, market or asset class. The value of securities of smaller issuers can be more volatile than that of larger issuers. A change in the financial condition, market perception or the credit rating of an issuer of securities included in the Index may cause the value of its securities to decline.

#### **8.12 Concentration Risk**

The Fund's assets may be concentrated in a particular sector or sectors or industry or group of industries to the extent the Index concentrates in a particular sector or sectors or industry or group of industries. Accordingly, the Fund may be subject to the risk that economic, political or other conditions that have a negative effect on a particular industry or sector will negatively impact the Fund to a greater extent than if the Fund's assets were invested in a wider variety of sectors or industries.

The Fund may be particularly vulnerable to this risk because the Index is comprised of securities of a very limited number of issuers. The Fund's assets may be concentrated in a small number of stocks and/or may be concentrated in particular sectors which may subject the Fund to more risk than investments in a diverse group of companies and sectors.

### **9 DIVIDEND POLICY**

It is not proposed that the Directors will declare a dividend in respect of the Fund. Full details of any change to the Fund's dividend policy will be provided in an updated Supplement and all Shareholders will be notified in advance.

### **10 KEY INFORMATION FOR PURCHASING AND SELLING**

|                         |   |
|-------------------------|---|
| <b>Base Currency</b>    | US Dollar (USD)   |
| <b>Business Day</b>     | means every day other than a Saturday or Sunday (or such other day(s) as the Directors may from time to time determine and notify in advance to Shareholders).  |
| <b>Dealing Day</b>      | In general, each Business Day will be a Dealing Day. However, certain Business Days will not be Dealing Days where, in the sole determination of the Manager: (i) markets on which the Fund's investments are listed or traded, or markets relevant to the Index are closed, and/or (ii) there is a public holiday in the jurisdiction in which the Manager or its delegate(s), if applicable, is or are based; provided there is at least one Dealing Day per fortnight. The Dealing Days for the Fund are available at <a href="http://www.vaneck.com">www.vaneck.com</a> . |
| <b>Dealing Deadline</b> | 4:00 p.m. (Irish time) on the Business Day prior to the relevant Dealing Day.   |
| <b>Settlement Date</b>  | In the case of subscription(s), within 2 Business Days of the relevant Dealing Day.<br><br>In the case of repurchases, within 3 Business Days of the relevant Dealing Day.  |
| <b>Valuation Point</b>  | 11:00 p.m. (Irish time) on the relevant Dealing Day.  |
| <b>Website</b>          | Information on portfolio composition and details of intra-day portfolio value (iNAV) are set out on the website - <a href="http://www.vaneck.com">www.vaneck.com</a>  |

### Description of the Shares

|                                     |   |
|-------------------------------------|---|
| <b>Share Class</b>                  | A   |
| <b>ISIN</b>                         | IE0005B8WVT6  |
| <b>Initial Offer Period</b>         | The Initial Offer Period shall commence at 9:00 a.m. (Irish time) 11 April 2022 and close at 5.00 p.m. (Irish time) on 10 October 2022 as may be shortened or extended by the Directors and notified to the Central Bank. |
| <b>Initial Price</b>                | Approximately USD 20, plus an appropriate provision for Duties and Charges, or such other amount as determined by the Manager and communicated to investors prior to investment.  |
| <b>Creation Unit</b>                | 50,000 Shares or such other amount as may be determined by the Directors at their discretion.   |
| <b>Minimum Initial Subscription</b> | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Initial Subscription.   |

|                        |  |
|------------------------|--|
| <b>Minimum Holding</b> | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Holding. |
|------------------------|--|

## 11 CHARGES AND EXPENSES

The following fees and expenses will be incurred by the Company on behalf of the Fund and will affect the Net Asset Value of the relevant Class of Share of the Fund:

|                    |   |
|--------------------|---|
| <b>Share Class</b> | A   |
| <b>Total Fee</b>   | Up to 0.45% per annum or such lower amount as may be advised to Shareholders from time to time. |

The Total Fee, a percentage of the Net Asset Value of the relevant Class of Shares (plus VAT, if any), is payable by the Company out of the Fund Assets to the Manager. The Total Fee will accrue on each day and will be calculated on each Dealing Day and paid monthly in arrears. The Total Fee will cover all of the ordinary fees, operating costs and expenses payable by the Fund including fees and expenses paid to the Manager, all ordinary costs and expenses connected with the management and operating activities of the Fund, including investment management and advisory fees, Director's fees, registration, transfer agency, administration and custody fees, registrar fees, regulators and auditors and certain legal expenses of the Company. The Total Fee does not include extraordinary costs and expenses (including but not limited to transaction charges, stamp duty or other taxes on the investments of the Company including duty charges for portfolio re-balancing, withholding taxes, commissions and brokerage fees incurred with respect to the Company's investments, interest on any non-overdraft credit facility and charges incurred in negotiating, effecting or varying the terms of such facility, any commissions charged by intermediaries in relation to an investment in the Fund and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the Company all of which will be paid separately out of the assets of the Fund). The cost of establishing the Fund will be borne by the Manager.

This section entitled Charges and Expenses should be read in conjunction with the sections entitled General Charges and Expenses and Management Charges and Expenses in the Prospectus.

## 12 REGISTRATION FOR PUBLIC DISTRIBUTION AND LISTING

Application is expected to be made to register the Fund for public distribution in various countries.

Application will be made to list the Shares on Euronext and other stock exchanges. Through the operation of such a secondary market, persons who are not Authorised Participants or not able or willing to subscribe for and redeem Creation Units will be able to buy Shares from or sell Shares to other retail investors or market makers, broker/dealers, or other Authorised Participants at prices which should approximate, after currency conversion, the Net Asset Value of the Shares.

## 13 HOW TO BUY AND SELL SHARES

Investors can buy and sell Shares on the secondary market as described above in accordance with the procedures set out in the section entitled Secondary Market in the Prospectus.

Investors can otherwise subscribe for or redeem Creation Units in accordance with the procedures set out in the Prospectus.

## **14 SUSTAINABLE FINANCE DISCLOSURE**

The Manager has categorised the Fund as meeting the provisions set out in Article 9(1) of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector ("SFDR") for products which have sustainable investment as their objective and where an index has been designated as a reference benchmark, as further described in in Annex I of this Supplement.

### **14.1 Sustainable investment objective**

This Fund aims at supporting sustainable Food Production and Development.

This Fund has a sustainable investment objective with an emphasis on environmental objectives. The Fund has a passive investment policy whereby the Fund aims to follow the Index as closely as possible. The relevant index considers companies involved in food and agricultural technology, organic foods, or food companies that display high standards in food waste, food safety or environmental impact. This includes companies with at least 50% (25% for current components) of their revenues from the following sub-themes: (A) Plant-Based or Cultured Meat, Protein or Dairy alternatives; (B) Vertical or Urban Farming - this includes agricultural companies that grow crops vertically, in greenhouses or specialize in localized farming; (C) Precision Agriculture - this includes irrigation and smart water grid equipment, greenhouse equipment, or autonomous/robotic farming or agriculture-related equipment but excludes agricultural chemicals and plant seeds; (D) Food Flavors and Functional Ingredients; or (E) Organic or Health Foods - this includes packaged foods, or agricultural products but excludes meat, poultry, fish or vitamins.

In addition, companies that meet certain ESG standards related to food and agriculture sustainability and safety are also included as follows and referred to as sub-theme F. The Index Provider utilizes ESG data provided by ISS. Companies that are eligible under these conditions must derive at least 50% (25% for current components) of their revenues from agricultural services or agricultural products (limited to fruits, vegetables, grains and dairy), or packaged plant/grain-based or dairy food products. Companies must display a positive environmental impact by having at least one score larger than zero, and the other score at least zero, related to the Contribution and Achievement of Sustainable Agriculture and Forestry or Agriculture Climate Change Contribution. Further, companies must rank at least 2.5 (on a scale of 1-4) in: A.) Food Waste OR B.) Food Safety and Food Safety Certification Program.

In addition, certain screenings are applied in the index construction to ensure that the companies do not significantly harm any other environmental or social sustainable investment objective. By means of ISS data companies are screened for activities which may negatively affect sustainability factors. The screenings consist of various components:

- Norms-Based Research whereby companies are screened for violations of international standards concerning various norms such as human rights, labor rights, environmental risk and bribery. ISS Norm-Based Research framework consists of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights and is embedded in the Sustainable Development Goals.
- Involvement in controversial weapons: a 0% involvement threshold is applied for production of controversial weapons or supply of critical components for them.
- Involvement in the tobacco industry: a 0% revenue threshold is applied.



- Exclusions based on violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.
- Thermal Coal Mining and Oil sands: a 1% involvement threshold is applied.
- Involvement in controversial sectors if 5% revenue or more derived from activities in fossil fuels, gambling, military equipment and services and nuclear power.

Companies for which there is no data available on one or more screening components do not constitute a violation of environmental or social objectives on that specific screening component. Companies that are not covered by ISS or for which all relevant data fields are not collected by ISS may be eligible for inclusion.

## 14.2 Sustainability Risks

Sustainability risk is the risk that the value of an investment will decline as a result of an environmental, social or governance (ESG) event or circumstance. Ecological events include climate change, scarcity of natural resources and pollution. Social events may include labour issues and product liability. Governance can include themes such as shareholder rights, business ethics, diversity and executive remuneration. Sustainability risks can arise in all kinds of forms. With regard to the theme of climate, for example, there is a distinction between transition risks and physical risks, whereby transition risks can be divided into legal and regulatory risks, technological risks, market risks and reputation risks. In addition, the impact of sustainability risk has various scopes, including company-specific, sector-specific and on country level. The occurrence of a sustainability risk results in other (financial) risks manifesting. This can negatively affect the value of the investment.

Concrete examples of sustainability risks for the Fund are: a company has an overly generous remuneration policy or a remuneration policy that is inconsistent with the interests of the shareholders. Also, a company's reputation can deteriorate as a result of negative publicity about an environmental or labour issue that can cause the value of its stock to decline. The expected impact of sustainability risks on the return depends on the type of sustainability risk that materializes. For developed and emerging markets equity portfolios, this expected impact is generally viewed as significant.

## 14.3 Sustainability Risk Integration

The Fund has a passive investment policy whereby the Fund aims to follow the index as closely as possible. The relevant Index consists primarily of companies that generate a substantial part of their revenues from sustainable food and agriculture activities and products. In paragraph 14.1 the selection criteria and screenings performed for the index construction are described. These measures reduce the sustainability risk considerably. In addition to the determination of the investment universe applied to the Fund, the Manager integrates sustainability risks by means of the following measure:

### **Exclusions**

Exclusions apply to this Sub-Fund as further outlined in section 2.2 and 14.1 of this Supplement as well as section 10 of the Prospectus.

### **Voting**

The Manager can exercise his voting rights at shareholders' meetings, according to the Proxy Voting Policy. To assist in its responsibility for voting proxies and the overall voting process, the Manager has

engaged an independent third party proxy voting specialist Glass Lewis Europe Limited, which takes also Environmental, Social and Governance factors into account when casting votes.

In particular, the Glass Lewis ESG voting policy is applied:

- On the Environmental side, within others, measures in favour of increased disclosure of a company's environmental risk through company-specific disclosure as well as compliance with international environmental conventions and adherence to environmental principles will be supported. Similarly, the ESG Policy will support proposals requesting companies develop greenhouse gas emissions reduction goals, comprehensive recycling. The ESG Policy will evaluate a company's impact on the environment, in addition to the regulatory risk a company may face by not adopting environmentally responsible policies. Further, the ESG Policy will consider voting against directors for not appropriately overseeing environmental risk.
- On the Social side, the ESG Policy will support several proposals, including but not limited to requesting that a company develop sustainable business practices, such as animal welfare policies, human rights policies, and fair lending policies. Furthermore, the ESG Policy will also generally support enhancing the rights of workers, as well as considering the communities and broader constituents in the areas in which companies do business.
- On the Governance side, the ESG Policy supports, within other aspects, increased shareholder participation and access to a company and its board of directors. Accordingly, the ESG Policy will vote in favour of initiatives that seek to enhance shareholder rights, such as the introduction of majority voting to elect directors, the adoption and amendment of proxy access bylaws, the elimination/reduction of supermajority provisions, the declassification of the board, the submission of shareholder rights' plans to a shareholder vote, and the principle of one share, one vote.

### **Engagement**

The Manager appointed a third-party engagement specialist, Glass Lewis Europe Limited, for the passive equity funds managed by VanEck Asset Management B.V. The engagement provider determines the engagement approach in accordance with its engagement policy and based on its engagements' priorities.

## **15 OTHER INFORMATION**

New Funds may be created from time to time by the Directors with the prior approval of the Central Bank in which case further Supplements incorporating provisions relating to those Funds will be issued by the Company.

The names of the Funds currently approved by the Central Bank are listed in the Global Addendum.

## **SCHEDULE 1**

### **DISCLAIMER**

The Index is the exclusive property of MarketVector Indexes GmbH (MarketVector), a wholly owned subsidiary of the Manager, which has contracted with Solactive AG to maintain and calculate the Index. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards MarketVector, Solactive AG has no obligation to point out errors in the Index to third parties. The Fund is not sponsored, endorsed, sold or promoted by MarketVector and MarketVector makes no representation regarding the advisability of investing in the Fund. The Index is calculated weekdays between 01:00 and 22:40 (CET) and the Index values are disseminated to data vendors every 15 seconds on days when the US equity market is open for trading. The Index is disseminated in USD.

In accordance with Central Bank requirements, the Company and the Fund are required to provide details of the Index Provider's website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company and the Funds have no responsibility for the Index Provider's website and are not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof.

The indicative optimised portfolio value/intra-day portfolio value is calculated by S&P Global Ltd.

## ANNEX I

**Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852**

**Product name:** VanEck Sustainable Future of Food UCITS ETF

**Legal entity identifier:** 25490018AUJGR6833G82

### Sustainable investment

means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### Sustainability indicators

measure how the sustainable objectives of this financial product are attained.

## Sustainable investment objective

### Does this financial product have a sustainable investment objective?

☒ ☒ ☒ **Yes**

☒ It will make a minimum of **sustainable investments with an environmental objective: 100%**

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective: \_\_\_\_%**

☒ ☐ ☐ **No**

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**

### What is the sustainable investment objective of this financial product?

The Fund aims at supporting sustainable Food Production and Development. Therefore, the Fund selects companies involved in food and agricultural technology, organic foods, or food companies that display high standards in food waste, food safety or environmental impact.

This includes companies with at least 50% (25% for current components) of their revenues from the following sub-themes:

(A) Plant-Based or Cultured Meat, Protein or Dairy alternatives;

(B) Vertical or Urban Farming - this includes agricultural companies that grow crops vertically, in greenhouses or specialize in localized farming;

(C) Precision Agriculture - this includes irrigation and smart water grid equipment, greenhouse equipment, or autonomous/robotic farming or agriculture- related equipment but excludes agricultural chemicals and plant seeds;

- (D) Food Flavors and Functional Ingredients;
- (E) Organic or Health Foods - this includes packaged foods, or agricultural products but excludes meat, poultry, fish or vitamins;
- (F) In addition, companies that meet certain ESG standards related to food and agriculture sustainability and safety are also included as follows and referred to as sub-theme F. The Index Provider utilizes ESG data provided by ISS. Companies that are eligible under these conditions must derive at least 50% (25% for current components) of their revenues from agricultural services or agricultural products (limited to fruits, vegetables, grains and dairy), or packaged plant/grain-based or dairy food products.

A reference benchmark has been designated for the purpose of attaining the sustainable investment objective.

Compared to a non-ESG fund with similar exposure, this Fund applies mandatory Environmental and Social factors and limits. These are corresponding to the Principle Adverse Impacts specified below.

● ***What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?***

The Fund measures the following sustainability indicators:

| Indicator  |
|--|
| The weighted percentage of investee companies' revenues derived from contribution to sustainable food production and development.  |
| The percentage of portfolio involved in violations of UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights. The target is 0% at rebalancing. |
| The percentage of portfolio involved in the fossil fuels industry.   |
| The percentage of portfolio involved in non-renewable energy production.   |

● ***How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?***

Screenings are applied in the index construction to ensure that the companies do not significantly harm any other environmental or social sustainable investment objective. The screenings consist of various components:

- Controversial sector involvement whereby companies are screened for involvement in:
  - Controversial weapons: a 0% involvement threshold is applied for production of controversial weapons or supply of critical components for them.
  - Tobacco production and civilian firearms: a 0% revenue threshold is applied.
  - Exclusions based on violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.
  - Thermal Coal Mining and Oil sands: a 1% involvement threshold is applied.
  - Fossil fuels, nuclear power, military equipment and services and gambling: a 5% revenue threshold is applied.
  - Oil and gas power generation and coal power generation: a 50% of combined revenue is applied.
- Norm-Based Research whereby companies are screened for violations of international standards concerning various norms such as human rights, labor rights, environmental risk and bribery.

Companies for which there is no data available on one or more screening components do not constitute a violation of environmental or social objectives on that specific screening component. Companies that are not covered by the ESG data provider or for which all relevant data fields are not collected by the ESG data provider may be eligible for inclusion.

— — *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Based on the Fund's thematic investment policy focusing on sustainable forms of food production, adverse impacts on sustainability factors such as GHG emissions, carbon footprint, GHG intensity are limited and therefore implicitly taken into account.

In addition, the Fund considers the following principal adverse impacts on sustainability factors:

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

1. Greenhouse Gas (GHG Emissions):
  - Part of Norm-based research on environmental protection "Failure to mitigate climate change impacts"
  - Fossil Fuel/Coal - Total Maximum Percentage of Revenues is 5%: This factor provides the maximum percentage of recent-year revenues for the issuer's total involvement in coal/fossil fuel, including any exposure in Production, Exploration, Distribution, and Services.
  - Companies that are eligible for the index inclusion under sub-theme F, must display a positive environmental impact by having at least one score larger than zero, and the other score at least zero, related to the Contribution and Achievement of Sustainable Agriculture and Forestry or Agriculture Climate Change Contribution.
2. Biodiversity
  - Part of Norm-based research on environmental protection "Failure to prevent depletion of biodiversity" and "Failure to prevent deforestation / illegal logging"
3. Water
  - Part of Norm-based research on environmental protection "Failure to prevent depletion of biodiversity", "Failure to prevent water pollution" and "Failure to prevent oil spill"
4. Waste
  - Part of Norm-based research on environmental protection "Poor waste management", "Poor nuclear safety", "Failure to prevent pollution" and "Failure to mitigate the production / distribution of hazardous substances"
  - Companies that are eligible for the index inclusion under sub-theme F, must display a positive environmental impact by having a rank of at least 2.5 (on a scale of 1-4) in: A.) Food Waste OR B.) Food Safety and Food Safety Certification Program.
5. Social and employee, respect for human rights, anti-corruption and anti-bribery matters
  - Norm-based screening covers controversial practices that have adverse impacts on society and the environment in line with established expectations for Responsible Business Conduct as set forth in the core normative framework consisting of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights, all of which are embedded in the Sustainable Development Goals.
  - Part of Norm-based research on Human Rights, including "Failure to conduct human rights due diligence" and "Failure to provide equal pay for work of equal value"
  - Controversial weapons screenings are performed whereby companies with a RED exposure score in anti-personnel mines, biological and chemical weapons, cluster munitions, depleted uranium, incendiary weapons, white phosphorus and nuclear weapons are excluded from the index.
  - Companies that are eligible for the index inclusion under sub-theme F, must display a positive environmental impact by having a rank of at least 2.5 (on a scale of 1-4) in: A.) Food Waste OR B.) Food Safety and Food Safety Certification Program.

A description on how the Fund has considered Principal Adverse Impacts on sustainability factors in the preceding year is included in the Fund's annual report.

— — *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

Norm-based research is conducted, whereby companies are screened for violations of international standards concerning various norms such as human rights, labor rights, environmental risk and bribery. Norm-based Research framework consists of research on the level of adherence of a company to the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights and is embedded in the Sustainable Development Goals.

Violations of these standards are measured by reference to the Case Severity Indicator. The Case Severity Indicator is a measure of the reported risk or impact on society or the environment and takes into account the degree of corporate involvement. The values which refer to severity are indicated in the Normed-based Research Methodology as “Very Severe”, “Severe”, “Moderate” and “Potential”. The “Very Severe” value identifies instances where the company is reportedly causing/contributing to critical adverse impact and is excluded from the Index.

Furthermore, the overall Norm-based research Score (“NBSOverallScore”) assigns a 1-10 rating score to an issuer based on the issuer’s link with any violations of international standards. The Index Provider excludes from the investable universe the companies which are assessed with a score of 9 or 10, equivalent to verified or imminent failure to respect established norms.



### Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes

☐ No

Yes, exposure to certain environmental adverse impacts is minimized due to the thematic investment policy of the Fund whereby specific emphasis is placed on companies which contribute to the development of sustainable forms of food production. In addition, by means of Norm-based research and Controversial sector involvement screenings, the Fund takes the principal adverse impacts on sustainability factors relating to greenhouse gas emissions, biodiversity, water, waste, social and employee, respect for human rights, anti-corruption and anti-bribery matters into account. For detailed information, please refer to the questions “*How have the indicators for adverse impacts on sustainability factors been taken into account?*” and “*How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?*”

Additionally, principal adverse impacts are considered as part of the Glass Lewis ESG policy guidelines, whereby casted votes regard the environment, energy efficiency, the use of renewable energy sources, enhancing the rights of workers, violation of international human rights standards, gender pay inequity and board diversity.



### What investment strategy does this financial product follow?

The Fund’s investment objective is to replicate, before fees and expenses, the price and yield performance of the MVIS® Global Future of Food ESG Index. The Fund seeks to invest in companies generating revenues from products and services related to meat and dairy alternatives, organic foods, food flavors, or innovative agriculture technologies. Norm-based research and Controversial sector involvement screenings are performed in the selection of companies in the index. In addition, the Glass Lewis ESG-tilted voting policy is applied whereby casted votes in shareholder meetings of companies in the portfolio concern sustainability matters.

- ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



1. Companies must generate at least 50% (25% for current components) of their revenues from agricultural and food technology, organic foods, or food companies that display high standards in food waste, food safety or environmental impact.
2. Companies must comply with the criteria defined for Norm-based research and Controversial sector involvement screenings to ensure that the companies in the portfolio do no significant harm to other sustainability related objectives. The exact thresholds are described under “How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?” and the two subsequent questions.

● **What is the policy to assess good governance practices of the investee companies?**

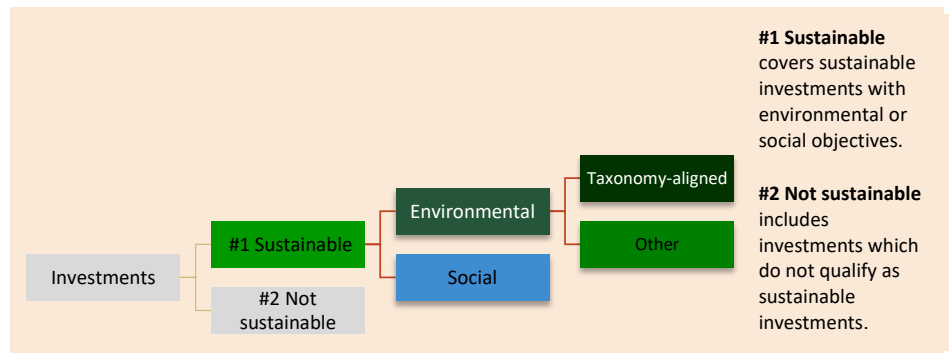
Good governance relates to sound management structures, employee relations, remuneration of staff and tax compliance. The Fund excludes companies when ISS rating shows the verifiably violated or imminent to violate the OECD Guidelines for multinational enterprises and the UN Guiding Principles on Business and Human Rights.

Assessment is performed at any rebalancing of the underlying Index, excluding companies with a score of 9 or 10, according to the Norm-based research overall score approach.

In addition, the Fund also excludes companies with “Severe” and “Very Severe” controversy ratings. The rating takes into account, among others, Accounting Fraud, Anti-competitive Behaviour, Bribery, Money Laundering, Failure to manage cybersecurity, Failure to pay fair share of taxes, Poor stakeholder consultation, Workplace discrimination, Labour Rights Violations, Working Conditions as well as Supply-Chain standards.

**What is the asset allocation and the minimum share of sustainable investments?**

The Fund invests in direct financial instruments of which 100% is sustainable. All of these sustainable investments are environmentally sustainable.



● **How does the use of derivatives attain the sustainable investment objective?**

The Fund does not invest in derivatives. Therefore this question is not applicable.





## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the Fund has a sustainable investment objective within the meaning of Article 9 of the SFDR and invests in sustainable food and agriculture, thereby aiming to enhance the development of sustainable agricultural services and food products, the investments underlying this Fund do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. As such, the Fund's portfolio alignment with such Taxonomy Regulation is not calculated. It follows that the minimum extent of sustainable investments with an aligned environmental objective aligned with the Taxonomy Regulation is currently 0%.

## Does the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?

☐

Yes

☐

In fossil gas

☐

In nuclear energy

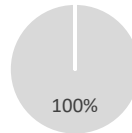
☒

No

**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**

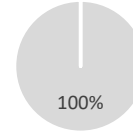
1. Taxonomy-alignment of investments including sovereign bonds\*

■ Non Taxonomy-aligned



1. Taxonomy-alignment of investments excluding sovereign bonds\*

■ Non Taxonomy-aligned



This graph represents x% of the total investments.

**\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures**

## What is the minimum share of investments in transitional and enabling activities?

The minimum share of investments in transitional and enabling activities is 0%.



## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?



are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.

100% of the Fund's investments is sustainable with an environmental objective that are not aligned with the EU Taxonomy. This is determined based on the (potential) revenue streams of companies related to sustainable food production and the criteria defined for Norm-based research and Controversial sector involvement screenings to ensure that the companies in the portfolio do no significant harm to other sustainability related objectives. The Fund's investments are considered to be sustainable investments with an environmental objective, but are not aligned with the expansive and strict criteria which are defined for sustainable food production in the EU Taxonomy.



**What is the minimum share of sustainable investments with a social objective?**

Not applicable as the Fund is not pursuing a social objective.



**What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?**

Not applicable, all investments are sustainable.



**Is a specific index designated as a reference benchmark to meet the sustainable investment objective?**

As a passive investments strategy, the Fund has designated its underlying index, the MVIS® Global Future of Food ESG Index, as reference benchmark to meet the sustainable investment objective.

● ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

Sustainability factors are considered as part of screenings which are included in the reference benchmark. By means of Norm-based research and Controversial sector involvement screenings, the Fund takes sustainability factors relating to greenhouse gas emissions, biodiversity, water, waste, social and employee, respect for human rights, anti-corruption and anti-bribery matters into account.

For detailed information, please refer to the questions “How have the indicators for adverse impacts on sustainability factors been taken into account?” and “How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?”

Companies that are eligible for the index inclusion under sub-theme F, must display a positive environmental impact by having a rank of at least 2.5 (on a scale of 1-4) in: A.) Food Waste OR B.) Food Safety and Food Safety Certification Program.

● ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

In order to seek to achieve its investment objective, the investment policy of the Fund is to use a replication strategy by investing directly in the underlying equity securities that consists of the component securities of the Index. The Fund is ‘passively’ managed. The Fund’s Manager, in order to ensure the alignment with the sustainable investments, monitors that the holdings are screened against the underlying Index’s rules by means of:

- Replication by the Portfolio Management Team of the Index based on the Index rules, Those also contain the requirements relating to the percentage of companies' revenues derived from hydrogen projects, Norm-based research and Controversial sector involvement screenings (tobacco production, fossil fuels, thermal coal mining, gambling, oil sands, civilian firearms, military equipment and services, and nuclear power), as coded in the Bloomberg Compliance Manager system. The Index components are periodically rebalanced by the Index provider.
- Reporting of any breaches of the Index rules by the Legal and Compliance Team, in line with VanEck's policies and procedures, which are established to assess the alignment of the funds' investments with the Index and to undertake recovery measures where necessary.
- Periodic confirmation on sustainability integration by the Index provider as part of the regular due diligence.
- Establishment of an ESG Committee which periodically reviews the compliance of the Fund's characteristics with the current regulation and which goal is to establish, maintain and further develop and monitor ESG strategies offered by VanEck. The ESG Committee is composed by the managing directors and at least one member of each department.
- Appointment of a proxy voting specialist - Glass Lewis Europe Limited - to exercise voting rights for all equity funds also on ESG factors. VanEck is periodically informed by the service provider on the voting activities.
- Appointment of a third-party engagement specialist - Glass Lewis Europe Limited - for the passive equity funds managed by VanEck Asset Management B.V. The engagement provider determines the engagement approach in accordance with its engagement policy and based on its engagements' priorities.

● ***How does the designated index differ from a relevant broad market index?***

The index differs from a generic broad market index in following ways:

- Thematic investment approach: companies that generate at least 50% (25% for current components) of their revenues from agricultural and food technology, organic foods, or food companies that display high standards in food waste, food safety or environmental impact.
- ESG screenings: companies with severe or very severe social norms violations, the ones that have involvement in controversial weapons, that have greater than 0% revenue exposure to tobacco production, or that exceed certain thresholds of revenue exposure to various sectors including, but not limited to, civilian firearms and energy extractives are not eligible for inclusion.

● ***Where can the methodology used for the calculation of the designated index be found?***

Information on the methodology can be found on the index provider's website:  
[https://www.marketvector.com/rulebooks/download/MVFOF\\_Index\\_Guide.pdf](https://www.marketvector.com/rulebooks/download/MVFOF_Index_Guide.pdf)



**Where can I find more product specific information online?**

More product-specific information can be found on the website:

<https://www.vaneck.com/ie/en/VEGI>.

**VANECK UCITS ETFs plc**

**Supplement dated 20 December 2024**

**for**

**VanEck Space Innovators UCITS ETF**

This Supplement contains specific information in relation to the **VanEck Space Innovators UCITS ETF** (the **Fund**), a sub-fund of VanEck UCITS ETFs plc (the **Company**), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank pursuant to the Regulations.

**This Supplement forms part of, may not be distributed unless accompanied by (other than to prior recipients of the Prospectus of the Company dated 20 December 2024, as may be amended, supplemented, or modified from time to time), and should be read in conjunction with the Prospectus for the Company.**

THIS DOCUMENT IS IMPORTANT. YOU SHOULD NOT PURCHASE SHARES IN THE FUND DESCRIBED IN THIS SUPPLEMENT UNLESS YOU HAVE ENSURED THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT AND THE RISKS INVOLVED AND ARE SATISFIED THAT THE INVESTMENT IS SUITED TO YOUR CIRCUMSTANCES AND OBJECTIVES, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU ARE RECOMMENDED TO TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR.

The Directors of the Company whose names appear in the section entitled **Directors of the Company** in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

**Shares purchased on the secondary market cannot usually be sold directly back to the Fund. Investors must buy and sell Shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value when buying Shares and may receive less than the current Net Asset Value per Share when selling them.**

**An investment in the Fund, whose securities comprise holdings in emerging markets, should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors.**

Certain risks attached to investments in the Fund are set out in the Prospectus in the section entitled Risk Factors.

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## **1. IMPORTANT INFORMATION**

### **1.1 Profile of a typical investor**

A typical investor is expected to be an informed investor who is able to bear capital and income risk, and should view investment in the Fund as a medium to long term investment. A typical investor is expected to be an investor who wishes to take exposure to the markets covered by the Fund's investment policy and is prepared to accept the risks associated with an investment of this type, including the volatility of such market.

### **1.2 General**

This Supplement sets out information in relation to the Shares and the Fund. You must also refer to the Prospectus which is separate to this document and describes the Company and provides general information about offers of shares in the Company. You should not take any action in respect of the Shares unless you have received a copy of the Prospectus. Should there be any inconsistency between the contents of the Prospectus and this Supplement, the contents of this Supplement will, to the extent of any such inconsistency, prevail. This Supplement and the Prospectus should both be carefully read in their entirety before any investment decision with respect to Shares is made.

The Shares of the Fund have been admitted to listing on the Official List and trading on the Regulated Market of Euronext Dublin. This Supplement together with the Prospectus includes all information required to be disclosed by Euronext Dublin listing requirements and comprise listing particulars for the purpose of listing the Shares of the Fund on Euronext Dublin.

Neither the admission of Shares of the Fund to listing on the Official List and to trading on the Regulated Market of Euronext Dublin nor the approval of the listing particulars pursuant to the listing requirements of Euronext Dublin shall constitute a warranty or representation by Euronext Dublin as to the competence of service providers to or any other party connected with the Fund, the adequacy of information contained in the listing particulars or the suitability of the Fund for investment purposes.

As of the date of this Supplement, the Company does not have any loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

### **1.3 Suitability of Investment**

You are advised to inform yourself as to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Shares.

The Shares are not principal protected. The value of the Shares may go up or down and you may not get back the amount you have invested. See the section entitled Risk Factors of the Prospectus and the section entitled Risk Factors of this Supplement for a discussion of certain risks that should be considered by you.

An investment in the Shares is only suitable for you if you are a sophisticated investor and (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result

from such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

## **1.4 Distribution of this Supplement and Selling Restrictions**

Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus and is not authorised in any jurisdiction after publication of the audited annual report of the Company unless a copy of the then latest annual report and, if distributed after the semi-annual report has been produced, a copy of the then latest published semi-annual report and unaudited accounts is made available in conjunction with the Prospectus and this Supplement. The distribution of this Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. If you receive a copy of this Supplement and/or the Prospectus you may not treat such document(s) as constituting an offer, invitation or solicitation to you to subscribe for any Shares unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without compliance with any registration or other legal requirement other than those with which the Company has already complied. If you wish to apply for the opportunity to purchase any Shares it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile.

## **2 INVESTMENT OBJECTIVE AND POLICIES**

### **2.1 Investment Objective**

The Fund's investment objective is to replicate the price and the performance, before fees and expenses, of an index that provides exposure to the performance of companies involved in the global space exploration, equipment and communications industries. For a further description of the Index see the section entitled Information on the Index below.

### **2.2 Investment Policy**

In order to seek to achieve its investment objective, the Manager will use a replication strategy by investing directly in the underlying equity securities of the MVIS® Global Space Industry ESG Index (the "**Index**") being the stock, American depository receipts (ADRs), and global depository receipts (GDRs). Such equity securities must be issued by companies listed or traded on the Markets referred to in Appendix II of the Prospectus who generate at least 50% of their revenues from operating segments that include space-related products and services in the following areas: space exploration (including design of commercial space crafts, space tourism, scientific research or delivery of equipment or cargo to space); rockets and propulsion systems (including products and services directly related to or to space vehicle systems or equipment, space pay-load, or other materials and equipment used to build space crafts or other vehicles used in space); satellite equipment and communications solutions (including systems and software for satellite-based communication but excluding 'Pay-TV' and communications service providers); and other satellite equipment (including satellite equipment, systems or software for areas such as research, earth observation, space imaging or GPS). For the avoidance of doubt, where the Index already holds such equity securities, the Index will seek to remove the security when the percentage of revenue generated from the companies drops below 25% of the relevant company's revenues.

The Fund may not invest in companies that violate certain ESG criteria including companies which (i) have committed severe and very severe norms violations, (ii) have greater than 0% revenue exposure to controversial weapons: anti-personnel mines, biological and chemical weapons, cluster munitions, depleted uranium, incendiary weapons, white phosphorus and nuclear weapons in- and outside the

non-proliferation treaty, or (ii) exceed certain thresholds of revenue exposure to various sectors including but not limited to civilian firearms, tobacco and oil sands and coal.

The Fund will seek the prior approval of the Central Bank should the Fund seek to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. In exceptional market circumstances, such as, but not limited to, a material price movement impacting the weighting of an underlying equity security of the Index or disruptive market conditions or extremely volatile markets, an underlying equity security of the Index which is held by the Fund may exceed the regulatory limits intra rebalancing dates which would result in the Fund seeking to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. Where it is not practical or cost efficient for the Fund to fully replicate the Index, the Manager may utilise an optimised sampling methodology and further detail in respect of this approach is set out in the section entitled Investment Approach below.

The Fund may invest up to 15% of its Net Asset Value directly in shares issued by companies listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange. For the avoidance of doubt, the Fund may invest in China B shares and China H shares. China B shares are issued by issuers incorporated in China, which trade on the Shanghai and Shenzhen exchanges and are quoted in foreign currencies (such as USD) and are open to foreign investors. China H shares are issued by issuers which are incorporated in China and trade on the Hong Kong stock exchange. The Fund may invest more than 20% of its Net Asset Value in emerging markets.

**The Fund may (or alternatively) invest in financial derivative instruments (FDIs) which relate to the Index or constituents of the Index.** The FDIs which the Fund may use are futures, options (puts and calls) swaps (equity swaps and swaps on the Index), currency forwards and non-deliverable forwards (a forward contract that does not require settlement on maturity) (NDFs). Futures and options may be used in order to equitise (use) cash balances (i.e. gaining exposure to equity markets through investment in derivatives for efficient portfolio management purposes) pending investment of subscription proceeds or other cash balances held by the Fund to seek to reduce tracking error. Currency forwards and NDFs may be used to hedge currency exposures. The Fund may use FDIs as an alternative to direct investment in the constituents of the Index in order to avail of the related cost or liquidity advantages of FDIs which may, in certain circumstances, be available over the direct investment in the constituents of the Index. The Fund may also use American depository receipts (ADRs) or global depository receipts (GDRs) to gain exposure to equity securities instead of using physical securities in circumstances where, due to local restrictions or quota limitations, it is not possible to hold these directly or where it is otherwise advantageous to the Fund to do so.

The Fund may also invest in ancillary liquid assets and money market instruments which may include bank deposits, depository receipts, certificates of deposit, fixed or floating rate instruments (treasury bills), commercial paper, floating rate notes and freely transferable promissory notes. The ancillary liquid assets, money market instruments and FDI (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus. Investment in ancillary liquid assets and money market instruments may be utilised in a variety of circumstances, including but not limited to, situations such as managing total exposure to cash and borrowing on a short term basis and in anticipation of participation in a rights offering.

## **2.3 Efficient Portfolio Management**

Investors should note that the Fund may invest in FDIs for efficient portfolio management or hedging purposes only. The Fund may use futures, swaps and currency forwards for the purpose of reducing risk associated with currency exposures within the Fund. This may on occasion lead to an increase in the risk profile of the Fund or result in a fluctuation in the expected level of volatility. Please see the section entitled Risk Factors in the Prospectus in relation to such risks.



The Fund will employ the commitment approach to assess the Fund's global exposure and to ensure that the Fund's use of derivative instruments is within the limits specified by the Central Bank. Global exposure will be calculated daily. While the Fund may be leveraged through the use of the FDIs, any such leverage will not exceed 100% of the Fund's Net Asset Value.

Investment in FDIs is subject to the conditions and limits contained in the CBI UCITS Regulations. Subject to these limits, the Fund may invest in FDIs dealt on any of the regulated markets set out in the list of Markets in Appendix II to the Prospectus (and/or over the counter FDIs (OTCs)) which will be used for investment, efficient portfolio management and/or for hedging purposes.

The Company employs a risk management process which enables it to accurately measure, monitor and manage at any time the various risks associated with FDIs and their contribution to the overall risk profile of the portfolio of assets of the Fund. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments. The Fund will only invest in FDIs in accordance with the risk management policy prepared and submitted to the Central Bank in accordance with the Central Bank requirements.

The Fund may invest in FDIs dealt OTC provided that the counterparties to OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

Position exposure to the underlying assets of FDIs or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the CBI UCITS Regulations.

In addition, the Fund may enter into stocklending, repurchase and reverse repurchase agreements for efficient portfolio management purposes only subject to the conditions and the limits set out in the CBI UCITS Regulations. Investors are referred to the section entitled Use of Financial Derivative Instruments and Efficient Portfolio Management in the Prospectus.

## **2.4 Securities Financing Transactions**

While the Company may enter into securities financing transactions and repurchase agreements (SFTs) (as defined under Article 3 (11) of Regulation (EU) 2015/2365) (the SFTR), it is not anticipated that the Fund will enter into any SFTs. However, in the event that the Fund contemplates entering into such transactions, investors will be provided with further details of the structure and use of such transactions, together with any other information required to be disclosed to investors in accordance with Articles 13 and 14 of the SFTR. The Supplement will be updated accordingly in the event that the Fund will enter into any SFTs.

## **3 INVESTMENT APPROACH**

In order to seek to achieve its investment objective, the investment policy of the Fund is to use a replication strategy by investing directly in the underlying equity securities that consists of the component securities of the Index. The Fund will be 'passively' managed.

Where full replication is not possible, the Fund will invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities that generally replicate the Index. However, under various circumstances, it may not be practicable and possible to invest in such equity securities in proportion to their weightings in the Index. It is not expected that the Fund would invest in securities outside the Index under normal circumstances. In extraordinary circumstances the Fund

may use such other techniques including, but not limited to, representative or “optimised” sampling to gain access to stocks which provide economic characteristics similar to the security in the Index. There also may be instances, for example if one or more securities are suspended from trading or in situations where the Fund is forced to liquidate particular securities, in which the Manager may choose to overweight a security in the Index, purchase securities not in the Index which the Manager believes are appropriate to substitute for certain securities in the Index or utilise other investment techniques in seeking to replicate, before fees and expenses, the price and yield performance of the Index. The Fund may sell securities that are represented in the Index in anticipation of their removal from the Index or purchase securities not represented in the Index in anticipation of their addition to the Index.

Anticipated tracking error is based on the expected volatility of differences between the returns of the Fund and the returns of the Index. For a physically replicating ETF, one of the primary drivers of tracking error is the difference between the Fund's holdings and index constituents. Cash management, trading costs from rebalancing and withholding tax or stamp duty suffered by the Fund on any income received from its Investments can also have an impact on tracking error as well as the return differential between the ETF and the benchmark index. The impact can be either positive or negative depending on the underlying circumstances. The anticipated tracking error of the Fund is not a guide to its future performance. The annualised tracking error envisaged is not anticipated to exceed 0.20% under normal market conditions.

#### **4 INFORMATION ON THE INDEX**

The Index is a global index that tracks the performance of the global space exploration, equipment and communications industries. This includes companies with at least 50% of their revenues (25% for current components) from operating segments that include space-related products and services in the following areas: Space Exploration (including design of commercial space crafts, space tourism, scientific research or delivery of equipment or cargo to space); rockets and propulsion systems (including products and services directly related to or to space vehicle systems or equipment, space pay-load, or other materials and equipment used to build space crafts or other vehicles used in space); Satellite Equipment and Communications Solutions (including systems and software for satellite-based communication but excluding Pay-TV and communications service providers); and Other Satellite Equipment (including satellite equipment, systems or software for areas such as research, earth observation, space imaging or GPS).

As the space industry advances giving mankind long term options for sustainability and alternative solutions for sustainable resources, it is to be expected that space exploration and satellite technologies could be key to addressing climate change and food sustainability. In addition, the satellite industry is critical to verifying and identifying environmental impacts.

The Index considers ESG factors, as described below and further detailed in the Index methodology available on the Index Providers website. The Index Provider utilizes ESG data provided by Institutional Shareholder Services group of companies (ISS). ISS provides the Index Provider with high-quality data, analytics and insight, including country ESG research and ratings enabling the Index Provider to identify material social and environmental risks and opportunities. In particular, data standards used by the Index Provider are:

- Data Input: MarketVector Indexes sources ESG data externally from ISS.
- Verification and quality of data: The provider of ESG-related data input is selected by the Index Provider based on an assessment of its existing processes in order to ensure the reliability and representativeness of the ESG-related data. The data provider has established processes in accordance with accepted and established market standards that ensure the permanent quality and reliability of the ESG-data provided.

- Reference standards: ISS Norm-Based Research framework consists of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights and is embedded in the Sustainable Development Goals.

The Index does not consider companies that violate certain ESG criteria included in the following categories (binding criteria):

1. Norm-based research:

- Thematic areas: Union Rights, Workplace Discrimination, Bribery, Child Labour, Environmental Protection, Fundamental Human Rights, Forced Labour, Labour Standards, Money Laundering. Companies with a Case Severity Indicator score of “Severe” or “Very Severe” are not included in the portfolio. The “Very Severe” value identifies instances where the company is reportedly causing/contributing to critical adverse impact.

The Case Severity Indicator is a measure of the reported risk or impact on society or the environment and takes into account the degree of corporate involvement. The other values which refer to severity are indicated in the Norm-based Research Methodology, as:

- “Severe”: identifies instances where the company is reportedly causing/contributing significant adverse impact.
- “Moderate”: identifies instances where the company is causing/contributing to adverse impact or linked to significant/critical adverse impact.
- “Potential”: identifies instances where the impact and/or corporate involvement have not been clearly determined.

When companies are identified as involved in Gender Discrimination, Racial Discrimination and are listed on the AFL-CIO Boycott List (identified by “T”), are also not included in the portfolio.

- The overall Norm-based research score (“NBSOverallScore”), assigning a 1-10 rating score to an issuer based on the issuer’s link with any violations of international standards. The Index Provider excludes from the investable universe the companies which are assessed with a score of 9 or 10 or this is “Not Collected”. The overall Norm-based research Severity Indicator score (“NBSOverallSeverityScore”), enables the inclusion in the portfolio of companies with a non “Severe” or “Very Severe” score.

2. Controversial weapons, which takes into consideration the involvement in: Anti-personnel Mines, Biological Weapons, Chemical Weapons, Cluster Munitions, Depleted Uranium, Incendiary Weapons, Nuclear Weapons Outside NPT, Nuclear Weapons Inside NPT and White Phosphorus Weapons. These factors assign an overall Red, Amber, or Green flag to an issuer based on the issuer’s involvement in the different categories of controversial weapons. Companies with a “Red” or “Not Collected” flag are excluded from the portfolio.
3. Civilian Firearms, which takes into consideration the involvement in: Ammunition, Assault Weapons, Automatic Firearms, High-Capacity Magazines, Any Tie and Repeating Firearms. When the Risk Flag, which indicates potential current or imminent involvement, is indicated as “Blank” or “Not Collected”, the company is included in the portfolio.
4. Sector and energy extractives exposure, with consideration of Tobacco, Gambling and Energy Extractives (Thermal Coal Mining, Fossil Fuel, Oil Sands and Nuclear Power). Only companies that derive not more than 5% of their revenues from the mentioned activities and not flagged as “Not Collected”, can be included in the portfolio.

A company is considered to be ESG compliant if it satisfies the ESG screening criteria set forth by the Index Provider.

The Index employs a capping scheme to ensure diversification by assigning weights to components which cannot exceed 8%.

- 1 All companies are ranked by their free-float market capitalisation. The maximum weight for any single stock is 8%. If a stock exceeds the maximum weight, then the weight will be reduced to the maximum weight and the excess weight shall be redistributed proportionally across all other Index constituents. This process is repeated until no stocks have weights exceeding the respective maximum weight.
- 2 The 8%-cap weighting scheme will be applied to the largest stocks and the excess weight after each step shall be redistributed across all other (uncapped) stocks in the Index on a proportional basis:
  - If the largest two stocks exceed 8%, both will be capped at 8%.
  - If the 3rd largest stock exceeds 7%, it will be capped at 7%.
  - If the 4th largest stock exceeds 6.5%, it will be capped at 6.5%.
  - If the 5th largest stock exceeds 6%, it will be capped at 6%.
  - If the 6th largest stock exceeds 5.5%, it will be capped at 5.5%.
  - If the 7th largest stock exceeds 5%, it will be capped at 5%.
  - If any other stock exceeds 4.5%, it will be capped at 4.5%.
- 3 The maximum weight is 4.5% for stocks with less than 50% revenue exposure in the MVIS Space Industry Index. The components of the Index are reviewed on a quarterly basis.

The reviews are based on the closing data on the last business day in February, May, August and November. If a company does not trade on the last business day in February, May, August or November, the last available price for this company will be used.

The underlying index data (e.g. new number of shares, new free-float factors and new weighting cap factors) is announced on the second Friday in a quarter-end month (i.e. March, June, September and December). The weighting cap factors are based on closing data of the Wednesday prior to the second Friday in a quarter-end month (i.e. March, June, September and December).

Changes to the Index will be implemented and based on the closing prices of the third Friday of every quarter-end month (i.e. March, June, September and December). If the third Friday is not a business day, the review will take place on the last business day before the third Friday. If a company does not trade on the third Friday of a quarter-end month, then the last available price for this company will be used. Changes become effective on the next business day.

The target coverage of the Index is at least 90% of the free-float market capitalisation of the investable universe with at least 25 companies.

The following steps will be followed and form the Index review procedure:

- 1 All stocks in the investable universe are sorted in terms of free-float market capitalisation in descending order

- 2 Stocks covering the top 85% of the free-float market capitalisation of the investable universe qualify for selection.
- 3 Existing components between the 85th and 98th percentiles also qualify for the Index.
- 4 If the coverage is still below 90% or the number of components in the Index is still below 25, the largest remaining stocks will be selected until coverage of at least 90% is reached and the number of stocks equals 25.
- 5 In case the number of eligible companies is below 25, additional companies are added by the Index Owner's decision, first by adding investable companies with at least 25% of revenue from space-related industries then by adding the next largest and most liquid companies with at least 50% of revenue from space-related industries, until the number of stocks equals 25.

For all corporate events that result in a stock deletion from the Index, the deleted stock will be replaced with the highest ranked non-component on the most recent selection list immediately only if the number of components in the Index would drop below 20. The replacement stock will be added at the same weight as the deleted stock. Only in case the number of components drops below its minimum due to a merger of two or more Index components, the replacement stock will be added with its uncapped free-float market capitalisation weight. In all other cases, i.e. there is no replacement, the additional weight resulting from the deletion will be redistributed proportionally across all other Index constituents.

The Information on the Index contains a summary of the principal features of the Index and is not a complete description of the Index. In case of inconsistency between the Information on the Index contained in this summary and the complete description of the Index which can be found on the Index Provider's website, the complete description of the Index prevails. Information on the Index appears on the website identified in the section entitled "Index Provider". Such information may change from time to time and details of the changes will appear on that website.

## 5 INDEX PROVIDER

The Index is published by MarketVector Indexes™ GmbH (the **Index Provider**), an affiliated company of the Manager. The Index Provider has contracted with Solactive AG to maintain and calculate the Index. The Index Provider does not sponsor, endorse, or promote the Fund and bears no liability with respect to the Fund or any security. The Index Provider will notify the Fund of material errors in the Index via the Index Provider's website. The Index Provider is an authorised benchmark administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation.

In accordance with Central Bank requirements, the Company is required to provide details of the Index Provider's website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company has no responsibility for the Index Provider's website and is not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof. Further information in relation to the Index may be found on the Index Provider's website, [www.marketvector.com](http://www.marketvector.com).

The Index Provider utilizes ESG data provided by Institutional Shareholder Services group of companies (ISS). ISS provides the Index Provider with high-quality data, analytics and insight, including country ESG research and ratings enabling the Index Provider to identify material social and environmental risks and opportunities.

## **6 INVESTMENT RESTRICTIONS**

The general investment restrictions as set out in the Prospectus shall apply. The Fund may not invest more than 10% of its Net Asset Value in open-ended collective investment schemes.

The Fund may not invest less than 51% of its Net Asset Value in equity securities which constitute "equity participation" within the meaning of section 2, Article 8 of the German Investment Tax Act (Investmentsteuergesetz). Equity participation in this context consists of shares in corporations traded or admitted for trading on a regulated market or multilateral trading facility (MTF) considered as such by the European Securities and Markets Authority (ESMA). The actual equity participation ratios of target investment funds can be taken into account.

There may be instances where the weighting of any constituent security of the Index could cause the Fund to breach the investment restrictions set out in the Prospectus. If such an event occurs, it is intended that the Fund will purchase other assets, the effect of which will seek to maintain, so far as is possible, the same economic exposure to and the same weighting of the security of that issuer in the Index without breaching its investment restrictions.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders.

## **7 BORROWING**

The Fund may borrow money in an amount up to 10% of the market value of its net assets at any time for the account of any Fund and the Depositary may charge the assets of the Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Fund may acquire currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of the Regulations provided that the offsetting deposit is denominated in the Base Currency of the Fund and equals or exceeds the value of the foreign currency loan outstanding.

## **8 RISK FACTORS**

The general risk factors as set out in the section entitled Risk Factors in the Prospectus apply.

Investors in the Fund should be willing to accept a high degree of volatility in the price of the Fund's Shares and the possibility of significant losses. An investment in the Fund involves a substantial degree of risk. Therefore, you are advised to consider carefully the following risks before investing in the Fund.

An investment in the Fund may be subject to risks which include, among others, material transaction cost from rebalancing activity and fluctuations in the value of securities held by the Fund due to market and economic conditions or factors relating to specific issuers.

The value of investments and the income from them, and therefore the value of and income from the Shares can go down as well as up and an investor may not get back the amount invested. The Fund's exposure is based on the performance of the Index securities which, in turn, is exposed to general market movements (negative as well as positive).

Certain additional risks may also be associated with the Fund, including, without limitation:

### **8.1 Risk of Investing in the Space Industry**

The space industry encompasses the building and integration of items to go into space, including spacecraft, satellites, payloads and products to be used in space or which are related to space. The space industry has seen dramatic increase in investment over a short period of time. Recent developments and the changing paradigm of space commercialisation, from being dominated by government programmes to being driven by the interests of private companies, are a challenge for regulators. Government regulation, world events, exchange rates and economic conditions, technological developments and liabilities for environmental damage and general civil liabilities may affect the performance of companies operating within the space industry. Companies engaged in the transport ecosystem of the space industry may experience share price movements which are cyclical and have occasional sharp price movements which may result from changes in the economy, fuel prices, labour agreements and insurance costs.

### **8.2 Risk of Investing in the Space Exploration Industry**

The exploration of space by private industry and the utilisation of space assets is a business focused on the future and is witnessing new entrants into the market. This is a global event with a growing number of corporate participants looking to meet the future needs of a growing global population. Therefore, investments in the Fund will be riskier than traditional investments in established industry sectors and the growth of these companies may be slower and subject to setbacks as new technology advancements are made to expand into space.

### **8.3 Risk of Investing in the Aerospace and Defence Companies**

Aerospace and defence companies can be significantly affected by government aerospace and defence regulation and spending policies because companies involved in this industry rely to a significant extent on U.S. (and other) government demand for their products and services. Thus, the financial condition of, and investor interest in, aerospace and defence companies are heavily influenced by governmental defence spending policies. Aerospace and defence companies may be significantly affected by changes in government regulations and spending, as well as economic conditions, industry consolidation and other disasters.

### **8.4 Risk of Investing in Satellite Equipment Industry**

Satellite equipment companies may have limited product lines, markets, financial resources or personnel and are subject to the risks of changes in business cycles, world economic growth, technological progress, and government regulation. Securities of satellite equipment companies, especially smaller, start-up companies, tend to be more volatile than securities of companies that do not rely heavily on technology. These companies may face intense competition and potentially rapid product obsolescence. In addition, satellite equipment companies may be dependent on governments and their agencies for a significant portion of their sales, and their success and growth may be dependent on their ability to win future government contracts. Satellite equipment companies may rely on a combination of patents, copyrights, trademarks and trade secret laws to establish and protect their proprietary rights in their products and technologies, and may be adversely affected by loss or

impairment of those rights. Legal and regulatory changes may have an impact on a satellite equipment company's products or services.

## **8.5 Risk of Investing in the Information Technology Industry**

The Fund will be sensitive to changes in, and its performance may depend to a greater extent on, the overall condition of the information technology sector. Information technology companies face intense competition, both domestically and internationally, which may have an adverse effect on profit margins. Information technology companies may have limited product lines, markets, financial resources or personnel. The products of information technology companies may face product obsolescence due to rapid technological developments and frequent new product introduction, unpredictable changes in growth rates and competition for the services of qualified personnel. Companies in the information technology sector are heavily dependent on patent protection and the expiration of patents may adversely affect the profitability of these companies.

## **8.6 Risk of Investing in Internet Companies**

Many Internet-related companies have incurred large losses since their inception and may continue to incur large losses in the hope of capturing market share and generating future revenues. Accordingly, many such companies expect to incur significant operating losses for the foreseeable future, and may never be profitable. The markets in which many Internet companies compete face rapidly evolving industry standards, frequent new service and product announcements, introductions and enhancements, and changing customer demands. The failure of an Internet company to adapt to such changes could have a material adverse effect on the company's business. Additionally, the widespread adoption of new Internet, networking, telecommunications technologies, or other technological changes could require substantial expenditures by an Internet company to modify or adapt its services or infrastructure, which could have a material adverse effect on an Internet company's business.

## **8.7 Risk of Investing in the Semiconductor Industry**

The Fund will be sensitive to, and its performance may depend to a greater extent on, the overall condition of the semiconductor industry. Competitive pressures may have a significant effect on the financial condition of companies in the semiconductor industry. The Fund is subject to the risk that companies that are in the semiconductor industry may be similarly affected by particular economic or market events. As product cycles shorten and manufacturing capacity increases, these companies may become increasingly subject to aggressive pricing, which hampers profitability. Semiconductor companies are vulnerable to wide fluctuations in securities prices due to rapid product obsolescence. Many semiconductor companies may not successfully introduce new products, develop and maintain a loyal customer base or achieve general market acceptance for their products, and failure to do so could have a material adverse effect on their business, results of operations and financial condition. Reduced demand for end-user products, underutilisation of manufacturing capacity, and other factors could adversely impact the operating results of companies in the semiconductor industry. Semiconductor companies typically face high capital costs and such companies may need additional financing, which may be difficult to obtain. They also may be subject to risks relating to research and development costs and the availability and price of components. Moreover, they may be heavily dependent on intellectual property rights and may be adversely affected by loss or impairment of those rights. Some of the companies involved in the semiconductor industry are also engaged in other lines of business unrelated to the semiconductor business, and they may experience problems with these lines of business, which could adversely affect their operating results. The international operations of many semiconductor companies expose them to risks associated with instability and changes in economic and political conditions, foreign currency fluctuations, changes in foreign regulations, tariffs and trade disputes, competition from subsidised foreign competitors with lower production costs and



other risks inherent to international business. The semiconductor industry is highly cyclical, which may cause the operating results of many semiconductor companies to vary significantly. Companies in the semiconductor industry also may be subject to competition from new market entrants. The stock prices of companies in the semiconductor industry have been and will likely continue to be extremely volatile compared to the overall market.

## **8.8 Risk of Investing in the Communication Solutions Sector**

The Fund will be sensitive to, and its performance may depend to a greater extent on, the overall condition of the communication services sector. Companies in the communication services sector may be affected by industry competition, substantial capital requirements, government regulations and obsolescence of communications products and services due to technological advancement. Communication solutions companies may have limited product lines, markets, financial resources or personnel. These companies typically face intense competition and potentially rapid product obsolescence. In addition, many communication solutions companies store sensitive consumer information and could be the target of cybersecurity attacks and other types of theft, which could have a negative impact on these companies. As a result, communication solutions companies may be adversely impacted by government regulations, and may be subject to additional regulatory oversight with regard to privacy concerns and cybersecurity risk. Communication solutions companies could be negatively impacted by disruptions in service caused by hardware or software failure, or by interruptions or delays in service by third-party data centre hosting facilities and maintenance providers. Communication solutions companies, especially smaller companies, tend to be more volatile than companies that do not rely heavily on technology. The customers and/or suppliers of communication solutions companies may be concentrated in a particular country, region or industry. Any adverse event affecting one of these countries, regions or industries could have a negative impact on communication solutions companies.

## **8.9 Satellite Companies Concentration Risk**

The Fund is considered to be concentrated in securities of companies that operate or utilise satellites which are subject to manufacturing delays, launch delays or failures, and operational and environmental risks (such as signal interference or space debris) that could limit their ability to utilise the satellites needed to deliver services to customers. Some companies that operate or utilise satellites do not carry commercial launch or in-orbit insurance for the full value of their satellites and could face significant impairment charges if the satellites experience full or partial failures. Rapid and significant technological changes in the satellite communications industry or in competing terrestrial industries may impair a company's competitive position and require significant additional capital expenditures. There are also regulatory risks associated with the allocation of orbital positions and spectrum under the International Telecommunication Union and the regulatory bodies in each of the countries in which companies provide service. In addition, the ground facilities used for controlling satellites or relaying data between Earth and the satellites may be subject to operational and environmental risks (such as natural disasters) or licensing and regulatory risks. If a company does not obtain or maintain regulatory authorisations for its satellites and associated ground facilities, it may not be able to operate its existing satellites or expand its operations.

## **8.10 Risk of Investing in Small- and Medium-Capitalisation Companies**

The securities of small- and medium-capitalisation companies may be more volatile and less liquid than the securities of large companies. As securities of small- and medium-capitalisation companies may experience more market price volatility than securities of larger companies, the net asset value of any fund which invests in small- and medium-capitalisation companies (such as the Fund) may reflect this volatility. Small- and medium-capitalisation companies, when compared with larger

companies, may have a shorter history of operations, fewer financial resources, less competitive strength, may have a less diversified product line, may be more susceptible to market pressure and may have a smaller market for their securities. Investment in small- and medium-capitalisation companies may involve comparatively higher investment costs and accordingly investment in the Fund should be viewed as a long term investment. The Fund may however dispose of an investment made by it within a relatively short period of time, for example, to meet requests for redemption of Shares.

### **8.11 Emerging Markets Risk**

Investments in securities of emerging market issuers are exposed to a number of risks that may make these investments volatile in price or difficult to trade. Emerging markets are more likely than developed markets to experience problems with the clearing and settling of trades, as well as the holding of securities by local banks, agents and depositories. Political risks may include unstable governments, nationalisation, restrictions on foreign ownership, laws that prevent investors from getting their money out of a country and legal systems that do not protect property rights as well as the laws in developing countries. Market risks may also include economies that concentrate in only a few industries, securities issues that are held by only a few investors, liquidity issues and limited trading capacity in local exchanges and the possibility that markets or issues may be manipulated by foreign nationals who have inside information. The frequency, availability and quality of financial information about investments in emerging markets varies. The Fund has limited rights and few practical remedies in emerging markets and the ability of authorities in developed countries to bring enforcement actions in emerging markets may be limited, and the Fund's passive investment approach does not take account of these risks. All of these factors can make emerging market securities more volatile and potentially less liquid than securities issued in more developed markets

### **8.12 Special Risk Considerations of Investing in Chinese Issuers**

Investments in securities of Chinese issuers, including issuers located outside of China that generate significant revenues from China, involve risks and special considerations not typically associated with investments in the securities markets of developed countries. These risks, include, among others, (i) more frequent (and potentially widespread) trading suspensions and government interventions with respect to Chinese issuers resulting in lack of liquidity and in price volatility, (ii) currency revaluations and other currency exchange rate fluctuations or blockage, (iii) the nature and extent of intervention by the Chinese government in the Chinese securities markets, whether such intervention will continue and the impact of such intervention or its discontinuation, (iv) the risk of nationalisation or expropriation of assets, (v) the risk that the Chinese government may decide not to continue to support economic reform programs, (vi) limitations on the use of brokers, (vii) higher rates of inflation, (viii) greater political, economic and social uncertainty, (ix) market volatility caused by any potential regional or territorial conflicts or natural disasters and (x) the risk of increased trade tariffs, embargoes, sanctions, investment restrictions and other trade limitations. Certain securities are, or may in future become restricted, and the Fund may be forced to sell such restricted securities and incur a loss as a result. In addition, the economy of China differs, often unfavourably, from the global developed economy in such respects as structure, general development, government involvement, wealth distribution, rate of inflation, growth rate, interest rates, allocation of resources and capital reinvestment, among others. The Chinese central government has historically exercised substantial control over virtually every sector of the Chinese economy through administrative regulation and/or state ownership and actions of the Chinese central and local government authorities continue to have a substantial effect on economic conditions in China. In addition, previously the Chinese government has from time to time taken actions that influence the prices at which certain goods may be sold, encourage companies to invest or concentrate in particular industries, induce mergers between companies in certain industries and induce private companies to publicly offer their securities to increase or continue the rate of economic growth, control the rate of inflation or otherwise regulate economic expansion. The Chinese

government may do so in the future as well, potentially having a significant adverse effect on economic conditions in China.

Investors should note that certain auditing and accounting practices within the People's Republic of China may not be of a similar standard to those which would be expected in a more developed economy and may therefore impact the quality of information provided to third parties seeking to invest in Chinese domiciled companies. In recent years, certain auditing practices have resulted in an inability of entities (such as the US Public Company Accounting Oversight Board) to inspect audit work papers in China which may give rise to concerns regarding the ability to promote and enforce disclosure standards which would be expected of developed market companies and the availability of reliable financial information on which to base investment decisions. Ineffective or otherwise inadequate internal and external audit functions may increase the likelihood that fraud and other issues within a company are not detected and/or that material information used as part of a company's valuation and/or the Manager's investment decision making is inaccurate. Investors should note that the Fund's rights to seek redress may, as a matter of law or practicality, be limited and the rights of the Fund as an investor in a Chinese company may be limited.

### **8.13 Special Risk Considerations of Investing in Asian Issuers**

The Fund may invest in securities issued by Asian issuers and, accordingly, may be subject to the risk of investing in such issuers. Investment in securities of issuers in Asia involves risks and special considerations not typically associated with investment in the securities markets of developed countries. Certain Asian economies have experienced over-extension of credit, currency devaluations and restrictions, high unemployment, high inflation, decreased exports and economic recessions. Economic events in any one Asian country can have a significant effect on the entire Asian region as well as on major trading partners outside Asia, and any adverse effect on some or all of the Asian countries and regions in which the Fund invests. The securities markets in some Asian economies are relatively underdeveloped and may subject the Fund to higher action costs or greater uncertainty than investments in more developed securities markets. Such risks may adversely affect the value of the Fund's investments.

### **8.14 Foreign Currency Risk**

In the event that the Fund's assets are invested in securities denominated in currencies other than the Base Currency, all or a portion of the proceeds received by the Fund from its investments and/or the revenues received from such underlying issuer will generally not be in the Base Currency. The Fund's exposure to foreign currencies and changes in the value of foreign currencies versus the Base Currency may result in reduced returns for the Fund. Moreover, the Fund may incur costs in connection with conversions between the Base Currency and foreign currencies. The value of an emerging market country's currency may be subject to a high degree of fluctuation. This fluctuation may be due to changes in interest rates, investors' expectations concerning inflation and interest rates, the emerging market country's debt levels and trade deficit, the effects of monetary policies issued by foreign governments, central banks or supranational entities, the imposition of currency controls or other national or global political or economic developments. The economies of certain emerging market countries can be significantly affected by currency devaluations. Certain emerging market countries may also have managed currencies which are maintained at artificial levels relative to the Base Currency rather than at levels determined by the market. This type of system could lead to sudden

and large adjustments in the currency, which in turn, can have a negative effect on the Fund and its investments.

#### **8.16 Risk of Issuer-Specific Changes**

The value of individual securities or particular types of securities in the Fund's portfolio can be more volatile than the market as a whole and can perform differently from the value of the market as a whole, which may have a greater impact if the Fund's portfolio is concentrated in a country, group of countries, region, market or asset class. The value of securities of smaller issuers can be more volatile than that of larger issuers. A change in the financial condition, market perception or the credit rating of an issuer of securities included in the Index may cause the value of its securities to decline.

#### **8.18 Concentration Risk**

The Fund's assets may be concentrated in a particular sector or sectors or industry or group of industries to the extent the Index concentrates in a particular sector or sectors or industry or group of industries. Accordingly, the Fund may be subject to the risk that economic, political or other conditions that have a negative effect on a particular industry or sector will negatively impact the Fund to a greater extent than if the Fund's assets were invested in a wider variety of sectors or industries.

The Fund may be particularly vulnerable to this risk because the Index is comprised of securities of a very limited number of issuers. The Fund's assets may be concentrated in a small number of stocks and/or may be concentrated in particular sectors which may subject the Fund to more risk than investments in a diverse group of companies and sectors.

### **9 DIVIDEND POLICY**

It is not proposed that the Directors will declare a dividend in respect of the Fund. Full details of any change to the Fund's dividend policy will be provided in an updated Supplement and all Shareholders will be notified in advance.

### **10 KEY INFORMATION FOR PURCHASING AND SELLING**

|                         |   |
|-------------------------|---|
| <b>Base Currency</b>    | US Dollar (USD)   |
| <b>Business Day</b>     | means every day other than a Saturday or Sunday (or such other day(s) as the Directors may from time to time determine and notify in advance to Shareholders).  |
| <b>Dealing Day</b>      | In general, each Business Day will be a Dealing Day. However, certain Business Days will not be Dealing Days where, in the sole determination of the Manager: (i) markets on which the Fund's investments are listed or traded, or markets relevant to the Index are closed, and/or (ii) there is a public holiday in the jurisdiction in which the Manager or its delegate(s), if applicable, is or are based; provided there is at least one Dealing Day per fortnight. The Dealing Days for the Fund are available at <a href="http://www.vaneck.com">www.vaneck.com</a> . |
| <b>Dealing Deadline</b> | 4:00 p.m. (Irish time) on the Business Day prior to the relevant Dealing Day.   |

|                        |   |
|------------------------|---|
| <b>Settlement Date</b> | <p>In the case of subscription(s), within 2 Business Days of the relevant Dealing Day.</p> <p>In the case of repurchases, within 3 Business Days of the relevant Dealing Day.</p> |
| <b>Valuation Point</b> | 11:00 p.m. (Irish time) on the relevant Dealing Day.  |
| <b>Website</b>         | Information on portfolio composition and details of intra-day portfolio value ( <b>iNAV</b> ) are set out on the website - <a href="http://www.vaneck.com">www.vaneck.com</a>     |

### Description of the Shares

|                                     |   |
|-------------------------------------|---|
| <b>Share Class</b>                  | A   |
| <b>ISIN</b>                         | IE000YU9K6K2  |
| <b>Initial Offer Period</b>         | The Initial Offer Period shall commence at 9:00 a.m. (Irish time) 11 April 2022 and close at 5.00 p.m. (Irish time) on 10 October 2022 as may be shortened or extended by the Directors and notified to the Central Bank. |
| <b>Initial Price</b>                | Approximately USD 20, plus an appropriate provision for Duties and Charges, or such other amount as determined by the Manager and communicated to investors prior to investment.  |
| <b>Creation Unit</b>                | 50,000 Shares or such other amount as may be determined by the Directors at their discretion.   |
| <b>Minimum Initial Subscription</b> | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Initial Subscription.   |
| <b>Minimum Holding</b>              | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Holding.  |

## 11 CHARGES AND EXPENSES

The following fees and expenses will be incurred by the Company on behalf of the Fund and will affect the Net Asset Value of the relevant Class of Share of the Fund:

|                    |   |
|--------------------|---|
| <b>Share Class</b> | A   |
| <b>Total Fee</b>   | Up to 0.55% per annum or such lower amount as may be advised to Shareholders from time to time. |

The Total Fee, a percentage of the Net Asset Value of the relevant Class of Shares (plus VAT, if any), is payable by the Company out of the Fund Assets to the Manager. The Total Fee will accrue on each day and will be calculated on each Dealing Day and paid monthly in arrears. The Total Fee will cover all of the ordinary fees, operating costs and expenses payable by the Fund including fees and expenses paid to the Manager, all ordinary costs and expenses connected with the management and operating activities of the Fund, including investment management and advisory fees, Director's fees, registration, transfer agency, administration and custody fees, registrar fees, regulators and auditors and certain legal expenses of the Company. The Total Fee does not include extraordinary costs and expenses (including but not limited to transaction charges, stamp duty or other taxes on the investments of the Company including duty charges for portfolio re-balancing, withholding taxes, commissions and brokerage fees incurred with respect to the Company's investments, interest on any non-overdraft credit facility and charges incurred in negotiating, effecting or varying the terms of such facility, any commissions charged by intermediaries in relation to an investment in the Fund and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the Company all of which will be paid separately out of the assets of the Fund). The cost of establishing the Fund will be borne by the Manager.

This section entitled Charges and Expenses should be read in conjunction with the sections entitled General Charges and Expenses and Management Charges and Expenses in the Prospectus.

## **12 REGISTRATION FOR PUBLIC DISTRIBUTION AND LISTING**

Application is expected to be made to register the Fund for public distribution in various countries.

Application will be made to list the Shares on Euronext and other stock exchanges. Through the operation of such a secondary market, persons who are not Authorised Participants or not able or willing to subscribe for and redeem Creation Units will be able to buy Shares from or sell Shares to other retail investors or market makers, broker/dealers, or other Authorised Participants at prices which should approximate, after currency conversion, the Net Asset Value of the Shares.

## **13 HOW TO BUY AND SELL SHARES**

Investors can buy and sell Shares on the secondary market as described above in accordance with the procedures set out in the section entitled Secondary Market in the Prospectus.

Investors can otherwise subscribe for or redeem Creation Units in accordance with the procedures set out in the Prospectus.

## **14 SUSTAINABLE FINANCE DISCLOSURE**

The Manager has categorised the Fund as meeting the provisions set out in Article 8 of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector ("SFDR") for products which promote environmental and/or social characteristics and invest in companies that follow good governance practices, as further described in Annex I of this Supplement. The Fund does not have sustainable investment as its investment objective.

### **14.1 E&S Characteristics**

The following environmental and social characteristics apply to the Fund's investments:

1. The Fund promotes the reduction of the most negative impacts on society and the environment through:

- Reducing exposure to Severe or Very Severe controversies relating to international standards on responsible business, human rights and labour rights.
  - Avoiding exposure to controversial business activities relating to companies involved in Controversial Weapons and civilian firearms.
  - Limiting exposure to carbon risk and specific business activities, by excluding companies deriving significant (>5%) revenues from energy extractives, such as thermal coal, Tobacco and Gambling.
2. The Glass Lewis ESG policy guidelines is applied, whereby casted votes concern sustainability matters.

A reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by the Fund.

Compared to a non-ESG fund with similar exposure, this Fund applies mandatory Environmental and Social factors and limits. These are corresponding to the Principle Adverse Impacts specified in the Annex.

## **14.2 Sustainability Risks**

Sustainability risk is the risk that the value of an investment will decline as a result of an environmental, social or governance (ESG) event or circumstance. Ecological events include climate change, scarcity of natural resources and pollution. Social events may include labour issues and product liability. Governance can include themes such as shareholder rights, business ethics, diversity and executive remuneration. Sustainability risks can arise in all kinds of forms. With regard to the theme of climate, for example, there is a distinction between transition risks and physical risks, whereby transition risks can be divided into legal and regulatory risks, technological risks, market risks and reputation risks. In addition, the impact of sustainability risk has various scopes, including company-specific, sector-specific and on country level. The occurrence of a sustainability risk results in other (financial) risks manifesting. This can negatively affect the value of the investment.

Concrete examples of sustainability risks for the Fund are: a company has an overly generous remuneration policy or a remuneration policy that is inconsistent with the interests of the shareholders. Also, a company's reputation can deteriorate as a result of negative publicity about an environmental or labour issue that can cause the value of its stock to decline. The expected impact of sustainability risks on the return depends on the type of sustainability risk that materializes. For developed and emerging markets equity portfolios, this expected impact is generally viewed as significant.

## **14.3 Sustainability Risk Integration Features**

The Fund has a passive investment policy whereby the Fund aims to follow the Index as closely as possible. In the composition of the index, account is taken of sustainability risks. The Manager applies the following measures to integrate sustainability risks for this Fund:

### **Exclusions**

Exclusions apply to this Fund as further outlined in section 2.2 of this Supplement and section 10 of the Prospectus.

## Voting

The Manager can exercise his voting rights at shareholders' meetings, according to the Proxy Voting Policy. To assist in its responsibility for voting proxies and the overall voting process, the Manager has engaged an independent third party proxy voting specialist, Glass Lewis Europe Limited, which takes also Environmental, Social and Governance factors into account when casting votes.

In particular, the Glass Lewis ESG voting policy is applied:

- On the Environmental side, within others, measures in favour of increased disclosure of a company's environmental risk through company-specific disclosure as well as compliance with international environmental conventions and adherence to environmental principles will be supported. Similarly, the ESG Policy will support proposals requesting companies develop greenhouse gas emissions reduction goals, comprehensive recycling. The ESG Policy will evaluate a company's impact on the environment, in addition to the regulatory risk a company may face by not adopting environmentally responsible policies. Further, the ESG Policy will consider voting against directors for not appropriately overseeing environmental risk.
- On the Social side, the ESG Policy will support several proposals, including but not limited to requesting that a company develop sustainable business practices, such as animal welfare policies, human rights policies, and fair lending policies. Furthermore, the ESG Policy will also generally support enhancing the rights of workers, as well as considering the communities and broader constituents in the areas in which companies do business.
- On the Governance side, the ESG Policy supports, within other aspects, increased shareholder participation and access to a company and its board of directors. Accordingly, the ESG Policy will vote in favour of initiatives that seek to enhance shareholder rights, such as the introduction of majority voting to elect directors, the adoption and amendment of proxy access bylaws, the elimination/reduction of supermajority provisions, the declassification of the board, the submission of shareholder rights' plans to a shareholder vote, and the principle of one share, one vote.

## Engagement

The Manager appointed a third-party engagement specialist, Glass Lewis Europe Limited, for the passive equity funds managed by VanEck Asset Management B.V. The engagement provider determines the engagement approach in accordance with its engagement policy and based on its engagements' priorities.

## 15 OTHER INFORMATION

New Funds may be created from time to time by the Directors with the prior approval of the Central Bank in which case further Supplements incorporating provisions relating to those Funds will be issued by the Company.

The names of the Funds currently approved by the Central Bank are listed in the Global Addendum.



## **SCHEDULE 1**

### **DISCLAIMER**

The Index is the exclusive property of MarketVector Indexes™ GmbH (MarketVector), a wholly owned subsidiary of the Manager, which has contracted with Solactive AG to maintain and calculate the Index. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards MarketVector, Solactive AG has no obligation to point out errors in the Index to third parties. The Fund is not sponsored, endorsed, sold or promoted by MarketVector and MarketVector makes no representation regarding the advisability of investing in the Fund. The Index is calculated weekdays between 01:00 and 22:40 (CET) and the Index values are disseminated to data vendors every 15 seconds on days when the US equity market is open for trading. The Index is disseminated in USD.

In accordance with Central Bank requirements, the Company and the Fund are required to provide details of the Index Provider's website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company and the Funds have no responsibility for the Index Provider's website and are not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof.

The indicative optimised portfolio value/intra-day portfolio value is calculated by S&P Global Ltd.

## ANNEX I

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** VanEck Space Innovators UCITS ETF  
**Legal entity identifier:** 254900JLBZ0X9ALOJI86

## Environmental and/or social characteristics

## Sustainable

**investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Does this financial product have a sustainable investment objective?**

●● ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective: \_\_\_\_%**

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective: \_\_\_\_%**

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

- with a social objective

- ✘ It promotes E/S characteristics, but **will not make any sustainable investments**



**What environmental and/or social characteristics are promoted by this financial product?**

The following environmental and social characteristics apply to the Fund's investments:

The Fund promotes the reduction of the most negative impacts on society and the environment through:

- Reducing exposure to Severe or Very Severe controversies relating to international standards on responsible business, human rights and labour rights.
- Avoiding exposure to controversial business activities relating to companies involved in Controversial Weapons and civilian firearms.
  - Limiting exposure to carbon risk and specific business activities, by excluding companies deriving significant (>5%) revenues from energy extractives, such as thermal coal, Tobacco and Gambling.

## Sustainability

**indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

1. The Glass Lewis ESG policy guidelines is applied, whereby casted votes concern sustainability matters.

A reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by the financial product.

Compared to a non-ESG fund with similar exposure, this Fund applies mandatory Environmental and Social factors and limits. These are corresponding to the Principle Adverse Impacts specified below.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The Fund measures the following sustainability indicators:

| Indicator   |
|---|
| The percentage of portfolio involved in violations of UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights. |
| The percentage of portfolio involved in the fossil fuels industry.  |
| The percentage of portfolio involved in non-renewable energy production.  |

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

This question and the related questions below are not applicable as the Fund does not intend to make sustainable investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Not applicable.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Not applicable.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

#### Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, the Fund considers principal adverse impacts on sustainability factors.
- ☐ No

The Fund considers the following principal adverse impacts on sustainability factors:

1. Greenhouse Gas (GHG Emissions):
  - Part of Norm-based research on environmental protection "Failure to mitigate climate change impacts"
  - Fossil Fuel/Coal exclusions - Total Maximum Percentage of Revenues is 5%: This factor provides the maximum percentage of recent-year revenues for issuer's total involvement in coal/fossil fuel, including any exposure in Production, Exploration, Distribution, and Services.
2. Biodiversity
  - Part of Norm-based research on environmental protection "Failure to prevent depletion of biodiversity" and "Failure to prevent deforestation / illegal logging"
3. Water
  - Part of Norm-based research on environmental protection "Failure to prevent depletion of biodiversity", "Failure to prevent water pollution" and "Failure to prevent oil spill"
4. Waste
  - Part of Norm-based research on environmental protection "Poor waste management", "Poor nuclear safety", "Failure to prevent pollution" and "Failure to mitigate the production / distribution of hazardous substances"
5. Social and employee, respect for human rights, anti-corruption and anti-bribery matters
  - ISS norms based screening covers controversial practices that have adverse impacts on society and the environment in line with established expectations for Responsible Business Conduct as set forth in the core normative framework consisting of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights, all of which are embedded in the Sustainable Development Goals.
  - Part of Norm-based research on Human Rights, including "Failure to conduct human rights due diligence" and "Failure to provide equal pay for work of equal value"
  - Controversial weapons screenings are performed whereby companies with a RED exposure score in anti-personnel mines, biological and chemical weapons, cluster munitions, depleted uranium, incendiary weapons, white phosphorus and nuclear weapons are excluded from the index.

Companies for which there is no data or not all relevant data fields are collected by the ESG provider are not eligible for inclusion.

Additionally, principal adverse impacts are considered as part of the Glass Lewis ESG tilted voting policy, whereby casted votes regard the environment, energy efficiency, the use of renewable energy sources, enhancing the rights of workers, violation of international human rights standards, gender pay inequity and board diversity.

A description on how the Fund has considered Principal Adverse Impacts on sustainability factors in the preceding year is included in the Fund's annual report.



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

### **What investment strategy does this financial product follow?**

The Fund's investment objective is to replicate, before fees and expenses, the price and yield performance of the MVIS Global Space Industry ESG Index. The Fund seeks to invest in companies generating at least 50% (25% for current components) of their revenues from space-related products and services in the space industry. Norm-based research and Controversial sector involvement screenings are performed in the selection of companies in the Index. In addition, the Glass Lewis ESG-tilted voting policy is applied, whereby casted votes in shareholder meetings of companies in the portfolio concern sustainability matters.

#### ● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Fund's investments must comply with the following binding elements:

1. Exclusion of companies with a severe or very severe controversy rating relating to Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights, based on Norm-based research.
2. Exclusion of companies which are involved in the production or critical component supply for Controversial Weapons.
3. Exclusion of companies which are involved in the production, distribution and services of Civilian Firearms.
4. Exclusion of companies which derive 5% or more revenues from Tobacco, Gambling, Energy Extractives (Thermal Coal, Fossil Fuels, Oil Sands, Nuclear Power).

#### ● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Fund does not commit to a minimum rate to reduce the scope of investments prior to the application of the investment strategy.

#### ● ***What is the policy to assess good governance practices of the investee companies?***

Good governance relates to sound management structures, employee relations, remuneration of staff and tax compliance.

The Fund excludes companies when ISS rating shows the verifiably violated or imminent to violate the OECD Guidelines for multinational enterprises and the UN Guiding Principles on Business and Human Rights.

Assessment is performed at any rebalancing of the underlying Index, excluding companies with a score of 9 or 10, according to the Norm-based research overall score approach, equivalent to verified or imminent failure to respect established norms.

In addition, the Fund also excludes companies with severe or very severe controversy ratings. The rating takes into account, among others, Accounting Fraud, Anti-competitive Behaviour, Bribery, Money Laundering, Failure to manage cybersecurity, Failure to pay fair

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

share of taxes, Poor stakeholder consultation, Workplace discrimination, Labour Rights Violations, Working Conditions as well as Supply-Chain standards.



**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

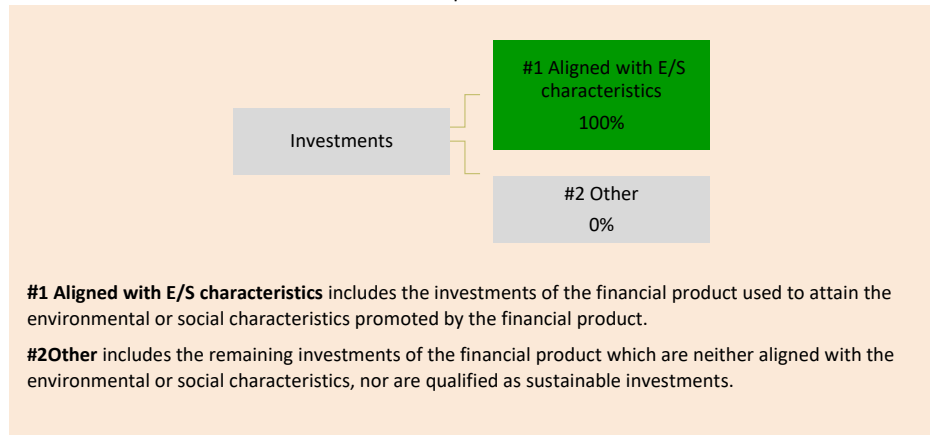
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

## What is the asset allocation planned for this financial product?

The Fund invests in direct financial instruments of which 100% is aligned with the the environmental and social characteristics that it promotes.



## How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund does not invest in derivatives. Therefore this question is not applicable.



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the Fund promotes environmental and social characteristics within the meaning of Article 8 of the SFDR, it does not currently commit to investing in any “sustainable investments” within the meaning of the SFDR. It should be noted that the investments underlying this Fund do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation and, as such, the Fund’s portfolio alignment with such Taxonomy Regulation is not calculated. It follows that the minimum extent of sustainable investments with an aligned environmental objective aligned with the Taxonomy Regulation is currently 0%.

The “do no significant harm” principle applies only to those investments underlying the Fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

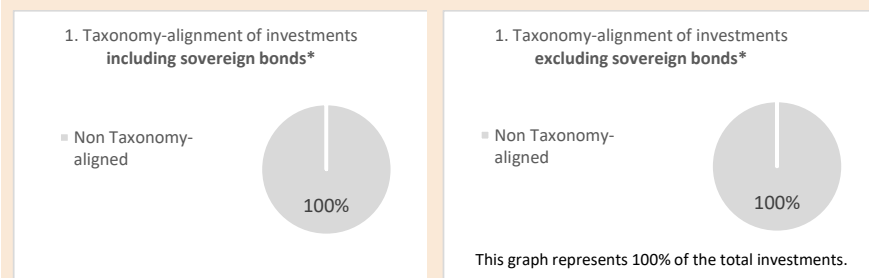
- Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No


*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

- What is the minimum share of investments in transitional and enabling activities?

The minimum share of investments in transitional and enabling activities is 0%.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The minimum share of non-aligned environmental sustainable investments is 0%.



**What is the minimum share of socially sustainable investments?**

The minimum share of socially sustainable investments is 0%.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Not applicable, all investments are aligned with the environmental and social characteristics.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

### **Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

As a passive investment's strategy, the Fund has designated the MVIS Global Space Industry ESG Index as reference benchmark to meet the environmental and social characteristics that it promotes.

#### ● ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Sustainability factors are considered as part of screenings that are included in the reference benchmark and assessed at any rebalancing of the underlying Index. By means of Norm-based research and Controversial sector involvement screenings the Fund takes sustainability factors relating to greenhouse gas emissions, biodiversity, water, waste, social and employee, respect for human rights, anti-corruption and anti-bribery matters into account.

For detailed information, please refer to the question "Does this financial product consider principal adverse impacts on sustainability factors?".

#### ● ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

In order to seek to achieve its investment objective, the investment policy of the Fund is to use a replication strategy by investing directly in the underlying equity securities that consists of the component securities of the Index. The Fund is passively managed. The Fund's Manager, in order to ensure the alignment with the ESG characteristics that it promotes, monitors that the holdings are screened against the underlying Index's exclusion by means of:

- Replication by the Portfolio Management Team of the Index based on the Index rules. Those also contain the requirements related to Norm-based research and Controversial sector involvement screenings (tobacco, fossil fuels, thermal coal mining, gambling, oil sands, civilian firearms, military equipment and services, and nuclear power), as coded in the Bloomberg Compliance Manager system. The Index components are periodically rebalanced by the Index provider.
- Reporting of any breaches of the Index rules by the Legal and Compliance Team, in line with VanEck's policies and procedures, which are established to assess the alignment of the funds' investments with the Index and to undertake recovery measures where necessary.
- Periodic confirmation on ESG integration by the Index provider as part of the regular due diligence.
- Establishment of an ESG Committee which periodically reviews the compliance of the Fund's characteristics with the current regulation and which goal is to establish, maintain and further develop and monitor ESG strategies offered by VanEck. The ESG Committee is composed by the managing directors and at least one member of each department.
- Appointment of a proxy voting specialist - Glass Lewis Europe Limited - to exercise voting rights for all equity funds also on ESG factors. VanEck is periodically informed by the service provider on the voting activities.



- Appointment of a third-party engagement specialist - Glass Lewis Europe Limited - for the passive equity funds managed by VanEck Asset Management B.V. The engagement provider determines the engagement approach in accordance with its engagement policy and based on its engagements' priorities.

● ***How does the designated index differ from a relevant broad market index?***

The index differs from a generic broad market index in following way:

- Thematic investment approach: companies that generate at least 50% (25% for current components) of their revenues from the following themes:
  - Space Exploration (including design of commercial spacecrafts, space tourism, scientific research, or delivery of equipment or cargo to space);
  - Rockets and Propulsion Systems (including products and services directly related to or to space vehicle systems or equipment, space payload, or other materials and equipment used to build spacecrafts or other vehicles used in space);
  - Satellite Equipment and Communications Solutions (including systems and software for satellite-based communication but excluding Pay-TV and communications service providers);
  - Other Satellite Equipment (including satellite equipment, systems or software for areas such as research, earth observation, space imaging or GPS).
- ESG Screening: companies with severe and very severe norms violations, the ones that are involved in civilian firearms, controversial weapons or that exceed certain thresholds of revenue exposure to various sectors (tobacco, energy extractives and gambling) are not eligible for inclusion.

● ***Where can the methodology used for the calculation of the designated index be found?***

Information on the methodology can be found on the index provider's website:

[https://www.mvis-indices.com/rulebooks/download/mv\\_equity\\_guide.pdf](https://www.mvis-indices.com/rulebooks/download/mv_equity_guide.pdf).



**Where can I find more product specific information online?**

More product-specific information can be found on the website:

<https://www.vaneck.com/ie/en/jedi>.

**VANECK UCITS ETFs plc**

**Supplement dated 20 December 2024**

**for**

**VanEck Genomics and Healthcare Innovators UCITS ETF**

This Supplement contains specific information in relation to the **VanEck Genomics and Healthcare Innovators UCITS ETF** (the **Fund**), a sub-fund of VanEck UCITS ETFs plc (the **Company**), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank pursuant to the Regulations.

**This Supplement forms part of, may not be distributed unless accompanied by (other than to prior recipients of the Prospectus of the Company dated 20 December 2024, as may be amended, supplemented, or modified from time to time), and should be read in conjunction with the Prospectus for the Company.**

THIS DOCUMENT IS IMPORTANT. YOU SHOULD NOT PURCHASE SHARES IN THE FUND DESCRIBED IN THIS SUPPLEMENT UNLESS YOU HAVE ENSURED THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT AND THE RISKS INVOLVED AND ARE SATISFIED THAT THE INVESTMENT IS SUITED TO YOUR CIRCUMSTANCES AND OBJECTIVES, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU ARE RECOMMENDED TO TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR.

The Directors of the Company whose names appear in the section entitled **Directors of the Company** in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

**Shares purchased on the secondary market cannot usually be sold directly back to the Fund. Investors must buy and sell Shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value when buying Shares and may receive less than the current Net Asset Value per Share when selling them.**

**An investment in the Fund, whose securities comprise holdings in emerging markets, should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors.**

Certain risks attached to investments in the Fund are set out in the Prospectus in the section entitled Risk Factors.

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## **1 IMPORTANT INFORMATION**

### **1.1 Profile of a typical investor**

A typical investor is expected to be an informed investor who is able to bear capital and income risk, and should view investment in the Fund as a medium to long term investment. A typical investor is expected to be investors who wishes to take exposure to the markets covered by the Fund's investment policy and is prepared to accept the risks associated with an investment of this type, including the volatility of such market.

### **1.2 General**

This Supplement sets out information in relation to the Shares and the Fund. You must also refer to the Prospectus which is separate to this document and describes the Company and provides general information about offers of shares in the Company. You should not take any action in respect of the Shares unless you have received a copy of the Prospectus. Should there be any inconsistency between the contents of the Prospectus and this Supplement, the contents of this Supplement will, to the extent of any such inconsistency, prevail. This Supplement and the Prospectus should both be carefully read in their entirety before any investment decision with respect to Shares is made.

The Shares of the Fund have been admitted to listing on the Official List and trading on the Regulated Market of Euronext Dublin. This Supplement together with the Prospectus includes all information required to be disclosed by Euronext Dublin listing requirements and comprise listing particulars for the purpose of listing the Shares of the Fund on Euronext Dublin.

Neither the admission of Shares of the Fund to listing on the Official List and to trading on the Regulated Market of Euronext Dublin nor the approval of the listing particulars pursuant to the listing requirements of Euronext Dublin shall constitute a warranty or representation by Euronext Dublin as to the competence of service providers to or any other party connected with the Fund, the adequacy of information contained in the listing particulars or the suitability of the Fund for investment purposes.

As of the date of this Supplement, the Company does not have any loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

### **1.3 Suitability of Investment**

You are advised to inform yourself as to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Shares.

The Shares are not principal protected. The value of the Shares may go up or down and you may not get back the amount you have invested. See the section entitled Risk Factors of the Prospectus and the section entitled Risk Factors of this Supplement for a discussion of certain risks that should be considered by you.

An investment in the Shares is only suitable for you if you are a sophisticated investor and (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result

from such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

#### **1.4 Distribution of this Supplement and Selling Restrictions**

Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus and is not authorised in any jurisdiction after publication of the audited annual report of the Company unless a copy of the then latest annual report and, if distributed after the semi-annual report has been produced, a copy of the then latest published semi-annual report and unaudited accounts is made available in conjunction with the Prospectus and this Supplement. The distribution of this Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. If you receive a copy of this Supplement and/or the Prospectus you may not treat such document(s) as constituting an offer, invitation or solicitation to you to subscribe for any Shares unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without compliance with any registration or other legal requirement other than those with which the Company has already complied. If you wish to apply for the opportunity to purchase any Shares it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile.

## **2 INVESTMENT OBJECTIVE AND POLICIES**

### **2.1 Investment Objective**

The Fund's investment objective is to replicate the price and the performance, before fees and expenses, of an index that provides exposure to the performance of a representative portfolio of companies involved in the genomic healthcare and electronic healthcare industries. For a further description of the Index see the section entitled Information on the Index below. The Fund has a sustainable investment objective.

### **2.2 Investment Policy**

In order to seek to achieve its investment objective, the Manager will normally use a replication strategy by investing directly in the underlying equity securities of the MVIS® Global Future Healthcare ESG Index (the "Index") being the stock, American depository receipts (ADRs), and global depository receipts (GDRs). Such equity securities must be issued by companies who generate at least 50% (25% for current components) of their revenues from the following sub-themes: (A) Healthcare therapies based on the targeting or modification of genetic makeup of cells or uses mRNA (B) Technology platforms that enable the development of genetics-based healthcare therapies (C) Laboratory equipment or services used to test, code, or develop genetics-based healthcare therapies (D) Software used to facilitate online medical consultations (E) E-Commerce pharmacies (F) Software for the management of medical practices and/or patient records (G) Outpatient medical Internet of Things devices which allow remote monitoring of health indicators such as heart rate and rhythm, or glucose levels, and be listed or traded on the Markets referred to in Appendix II of the Prospectus.

The Fund may not invest in companies that violate certain ESG criteria including companies which (i) have committed very severe norms violations, (ii) have greater than 0% revenue exposure to controversial weapons, or (iii) exceed certain thresholds of revenue exposure to various sectors including but not limited to tobacco, gambling, military equipment and services and energy extractives. Information on the thresholds of revenue and the full list of sectors is contained in the Index methodology guide which is available on the Index Provider's website.

The Fund will seek the prior approval of the Central Bank should the Fund seek to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. In exceptional market circumstances, such as, but not limited to, a material price movement impacting the weighting of an underlying equity security of the Index or disruptive market conditions or extremely volatile markets, an underlying equity security of the Index which is held by the Fund may exceed the regulatory limits intra rebalancing dates which would result in the Fund seeking to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. Where it is not practical or cost efficient for the Fund to fully replicate the Index, the Manager may utilise an optimised sampling methodology and further detail in respect of this approach is set out in the section entitled Investment Approach below.

**The Fund may also (or alternatively) invest in financial derivative instruments (FDIs) which relate to the Index or constituents of the Index.** The FDIs which the Fund may use are futures, options (puts and calls), swaps (including equity swaps and swaps on the Index), currency forwards and non-deliverable forwards (a forward contract that does not require settlement on maturity) (NDFs). Futures and options may be used in order to equitise (use) cash balances pending investment of subscription proceeds or other cash balances held by the Fund to seek to reduce tracking error. Currency forwards and NDFs may be used to hedge currency exposures. The Fund may use FDIs as an alternative to direct investment in the constituents of the Index in order to avail of the related cost or liquidity advantages of FDIs which may, in certain circumstances, be available over the direct investment in the constituents of the Index. The Fund may also use American depository receipts (ADRs) or global depository receipts (GDRs) to gain exposure to equity securities instead of using physical securities in circumstances where, due to local restrictions or quota limitations, it is not possible to hold these directly or where it is otherwise advantageous to the Fund to do so.

The Fund may also invest in ancillary liquid assets and money market instruments which may include bank deposits, depository receipts, certificates of deposit, fixed or floating rate instruments (treasury bills), commercial paper, floating rate notes and freely transferable promissory notes. The ancillary liquid assets, money market instruments and FDI (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus. Investment in ancillary liquid assets and money market instruments may be utilised in a variety of circumstances, including but not limited to, situations such as managing total exposure to cash and borrowing on a short-term basis and in anticipation of participation in a rights offering.

### **2.3 Efficient Portfolio Management**

Investors should note that the Fund may invest in FDIs for efficient portfolio management or hedging purposes only. The Fund may use futures, swaps and currency forwards for the purpose of reducing risk associated with currency exposures within the Fund. This may on occasion lead to an increase in the risk profile of the Fund or result in a fluctuation in the expected level of volatility. Please see the section entitled Risk Factors in the Prospectus in relation to such risks.

The Fund will employ the commitment approach to assess the Fund's global exposure and to ensure that the Fund's use of derivative instruments is within the limits specified by the Central Bank. Global exposure will be calculated daily. While the Fund may be leveraged through the use of the FDIs, any such leverage will not exceed 100% of the Fund's Net Asset Value.

Investment in FDIs is subject to the conditions and limits contained in the CBI UCITS Regulations. Subject to these limits, the Fund may invest in FDIs dealt on any of the regulated markets set out in the list of Markets in Appendix II to the Prospectus (and/or over the counter FDIs (OTCs)) which will be used for investment, efficient portfolio management and/or for hedging purposes.

The Company employs a risk management process which enables it to accurately measure, monitor and manage at any time the various risks associated with FDIs and their contribution to the overall risk

profile of the portfolio of assets of the Fund. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments. The Fund will only invest in FDIs in accordance with the risk management policy prepared and submitted to the Central Bank in accordance with the Central Bank requirements.

The Fund may invest in FDIs dealt OTC provided that the counterparties to OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

Position exposure to the underlying assets of FDIs or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the CBI UCITS Regulations.

In addition, the Fund may enter into stocklending, repurchase and reverse repurchase agreements for efficient portfolio management purposes only subject to the conditions and the limits set out in the CBI UCITS Regulations. Investors are referred to the section entitled Use of Financial Derivative Instruments and Efficient Portfolio Management in the Prospectus.

## **2.4 Securities Financing Transactions**

While the Company may enter into securities financing transactions and repurchase agreements (SFTs) (as defined under Article 3 (11) of Regulation (EU) 2015/2365) (the SFTR), it is not anticipated that the Fund will enter into any SFTs. However, in the event that the Fund contemplates entering into such transactions, investors will be provided with further details of the structure and use of such transactions, together with any other information required to be disclosed to investors in accordance with Articles 13 and 14 of the SFTR. The Supplement will be updated accordingly in the event that the Fund will enter into any SFTs.

## **3 INVESTMENT APPROACH**

In order to seek to achieve its investment objective, the investment policy of the Fund is to use a replication strategy by investing directly in the underlying equity securities that consists of the component securities of the Index. The Fund will be 'passively' managed.

Where full replication is not possible, the Fund will invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities that generally replicate the Index. However, under various circumstances, it may not be practicable and possible to invest in such equity securities in proportion to their weightings in the Index. It is not expected that the Fund would invest in securities outside the Index under normal circumstances. In extraordinary circumstances the Fund may use such other techniques including, but not limited to, representative or "optimised" sampling to gain access to stocks which provide economic characteristics similar to the security in the Index. There also may be instances, for example if one or more securities are suspended from trading or in situations where the Fund is forced to liquidate particular securities, in which the Manager may choose to overweight a security in the Index, purchase securities not in the Index which the Manager believes are appropriate to substitute for certain securities in the Index or utilise other investment techniques in seeking to replicate, before fees and expenses, the price and yield performance of the Index. The Fund may sell securities that are represented in the Index in anticipation of their removal from the Index or purchase securities not represented in the Index in anticipation of their addition to the Index.

Anticipated tracking error is based on the expected volatility of differences between the returns of the Fund and the returns of the Index. For a physically replicating ETF, one of the primary drivers of tracking

error is the difference between the Fund's holdings and index constituents. Cash management, trading costs from rebalancing and withholding tax or stamp duty suffered by the Fund on any income received from its Investments can also have an impact on tracking error as well as the return differential between the ETF and the benchmark index. The impact can be either positive or negative depending on the underlying circumstances. The anticipated tracking error of the Fund is not a guide to its future performance. The annualised tracking error envisaged is not anticipated to exceed 0.20% under normal market conditions.

#### **4 INFORMATION ON THE INDEX**

The Index is a global index that tracks the performance of companies that are involved in the genomic healthcare and electronic healthcare industries.

Companies must derive 50% (25% for current components) of revenue (or product pipeline for the first three items in the following list) from:

- Healthcare therapies based on the targeting or modification of genetic makeup of cells or use mRNA.
- Technology platforms that enable the development of genetics-based healthcare therapies.
- Laboratory equipment or services used to test, code, or develop genetics-based healthcare therapies.
- Software used to facilitate online medical consultations.
- E-Commerce pharmacies.
- Software for the management of medical practices and/or patient records.
- Outpatient medical Internet of Things devices which allow remote monitoring of health indicators such as heart rate and rhythm, or glucose levels.

Stocks must be listed on exchanges in the following countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom, United States.

Genomic and electronic healthcare supports the reshaping of the society's healthcare system and the improvement of the quality of life meeting the UN's Sustainable Development Goals on Good Health And Well-Being.

- Genomics will allow to pinpoint disease causes quicker and more effectively, improving disease risk prediction, monitoring and treatment, helping researchers discover why some people get sick from certain infections, environmental factors, and behaviors, while others do not.
- Electronic healthcare can
  - reduce O2 emissions and paper consumption through EHRs and telemedicine,
  - increase access to essential health services via usage of telemedicine,



- help to build resilience to climate-related extreme events and other economic, social and environmental shocks and disasters by providing remote medical services where direct medical access is not possible,
- empower women and reduce child mortality, by making healthcare data more widely assessable,
- provide access to essential early childhood care.

The Index considers ESG factors, as described below and further detailed in the Index methodology available on the Index Providers website. The Index Provider utilizes ESG data provided by Institutional Shareholder Services group of companies (ISS). ISS provides the Index Provider with high-quality data, analytics and insight, including country ESG research and ratings enabling the Index Provider to identify material social and environmental risks and opportunities. In particular, data standards used by the Index Provider are:

- Data Input: MarketVector Indexes sources ESG data externally from ISS. Where data is not available, best efforts is made to model required data.
- Verification and quality of data: The provider of ESG-related data input is selected by the Index Provider based on an assessment of its existing processes in order to ensure the reliability and representativeness of the ESG-related data. The data provider has established processes in accordance with accepted and established market standards that ensure the permanent quality and reliability of the ESG-data provided.
- Reference standards: ISS Norm-Based Research framework consists of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights and is embedded in the Sustainable Development Goals.

The Index does not consider companies that violate certain ESG criteria included in the following categories (binding criteria):

1. Norm-based research:

- Thematic areas: Union Rights, Workplace Discrimination, Bribery, Child Labour, Environmental Protection, Fundamental Human Rights, Forced Labour, Labour Standards, Money Laundering. Companies with a Case Severity Indicator score of 'Very Severe' are not included in the portfolio. The 'Very Severe' value identifies instances where the company is reportedly causing/contributing to critical adverse impact.

The Case Severity Indicator is a measure of the reported risk or impact on society or the environment and takes into account the degree of corporate involvement. The other values which refer to severity are indicated in the Norm-based Research Methodology, as:

- "Severe": identifies instances where the company is reportedly causing/contributing significant adverse impact.
- "Moderate": identifies instances where the company is causing/contributing to adverse impact or linked to significant/critical adverse impact.
- "Potential": identifies instances where the impact and/or corporate involvement have not been clearly determined.

When companies are identified as involved in Gender Discrimination, Racial Discrimination and are listed on the AFL-CIO Boycott List (identified by "T"), are also not included in the portfolio.

- The overall Norm-based research score ("NBSOverallScore"), assigning a 1-10 rating score to an issuer based on the issuer's link with any violations of international standards. The Index

Provider excludes from the investable universe the companies which are assessed with a score of 9 or 10.

- The overall Norm-based research Severity Indicator score (“NBSOverallSeverityScore”), which enables the inclusion in the portfolio of companies with a non “Very Severe” score.
2. Controversial weapons, which takes into consideration the involvement in: Anti-personnel Mines, Biological Weapons, Chemical Weapons, Cluster Munitions, Depleted Uranium, Incendiary Weapons, Nuclear Weapons Outside NPT, Nuclear Weapons Inside NPT and White Phosphorus Weapons. These factors assign an overall Red, Amber, or Green flag to an issuer based on the issuer’s involvement in the different categories of controversial weapons. Companies with a “Red” flag are excluded from the portfolio.
  3. Civilian Firearms, which takes into consideration the involvement in: Ammunition, Assault Weapons, Automatic Firearms, High-Capacity Magazines, Any Tie and Repeating Firearms. When the Risk Flag, which indicates potential current or imminent involvement, is indicated as “Blank” or “Not Collected”, the company is included in the portfolio.
  4. Sector and energy extractives exposure, with consideration of Tobacco, Gambling, Energy Extractives (Thermal Coal Mining, Fossil Fuel, Oil Sands and Nuclear Power) and Military Equipment and Services. Only companies that derive not more than 5% of their revenues from the mentioned activities, can be included in the portfolio.

A company is considered to be ESG compliant if it satisfies the ESG screening criteria set forth by the Index Provider. Furthermore, the companies that are not covered by ISS or for which all relevant data fields are not collected by ISS may be eligible for inclusion. In these cases, the Index Provider will review the impact and will act on a best-efforts basis to ensure data coverage by performing qualitative data research through the review of publicly available information of the respective company.

The Index employs a capping scheme to ensure diversification by assigning weights to components which cannot exceed 8%.

1. All companies are ranked by their free-float market capitalisation. The maximum weight for any single stock is 8%. If a stock exceeds the maximum weight, then the weight will be reduced to the maximum weight and the excess weight shall be redistributed proportionally across all other index constituents. This process is repeated until no stocks have weights exceeding the respective maximum weight.
2. The 8%-cap weighting scheme will be applied to the largest stocks and the excess weight after each step shall be redistributed across all other (uncapped) stocks in the index on a proportional basis:
  - If the largest two stocks exceed 8%, both will be capped at 8%.
  - If the 3rd largest stock exceeds 7%, it will be capped at 7%.
  - If the 4th largest stock exceeds 6.5%, it will be capped at 6.5%.
  - If the 5th largest stock exceeds 6%, it will be capped at 6%.
  - If the 6th largest stock exceeds 5.5%, it will be capped at 5.5%.
  - If the 7th largest stock exceeds 5%, it will be capped at 5%.

- If any other stock exceeds 4.5%, it will be capped at 4.5%.

The review of the Index components is based on the closing data on the last business day in May and November. If a company does not trade on the last business day in May or November, the last available price for this company will be used. The underlying index data (e.g. new number of shares, new free-float factors and new weighting cap factors) is announced on the second Friday of June and December. For the avoidance of doubt, the weightings of the Index are rebalanced on a quarterly basis (i.e. March, June, September and December) with the constituents being added and removed on a semi-annual basis (i.e. June and December). The weighting cap factors are based on closing data of the Wednesday prior to the second Friday in a quarter-end month (i.e. March, June, September and December).

Changes to weightings of the Index will be implemented and based on the closing prices of the third Friday of every quarter-end month (i.e. March, June, September and December). If the third Friday is not a business day, the review will take place on the last business day before the third Friday. If a company does not trade on the third Friday of a quarter-end month, then the last available price for such company will be used. Changes become effective on the next business day.

The target coverage of the Index is at least 90% of the free-float market capitalisation of the investable universe with at least 25 companies.

The following steps will be followed and form the Index review procedure:

1. All stocks in the investable universe are sorted in terms of free-float market capitalisation in descending order
2. Stocks covering the top 85% of the free-float market capitalisation of the investable universe qualify for selection.
3. Existing components between the 85th and 98th percentiles also qualify for the Index.
4. If the coverage is still below 90% or the number of components in the Index is still below 25, the largest remaining stocks will be selected until coverage of at least 90% is reached and the number of stocks equals 25.
5. In case the number of eligible companies is below 25, additional companies are added by the Index Provider based on the next largest companies that fit the description of companies that meet the business activity, product, or service offering criteria are considered for inclusion and are closest to meeting the liquidity criteria as described above, until the number of stocks equals 25.

For all corporate events that result in a stock deletion from the Index, the deleted stock will be replaced with the highest ranked non-component on the most recent selection list immediately only if the number of components in the Index would drop below 20. The replacement stock will be added at the same weight as the deleted stock. Only in case the number of components drops below its minimum due to a merger of two or more of the Index components, the replacement stock will be added with its uncapped free-float market capitalisation weight. In all other cases, i.e. there is no replacement, the additional weight resulting from the deletion will be redistributed proportionally across all of the other Index constituents.

The Information on the Index contains a summary of the principal features of the Index and is not a complete description of the Index. In case of inconsistency between the Information on the Index contained in this summary and the complete description of the Index which can be found on the Index Provider's website, the complete description of the Index prevails. Information on the Index appears on

the website identified in the section entitled "Index Provider". Such information may change from time to time and details of the changes will appear on that website.

## **5 INDEX PROVIDER**

The Index is published by MarketVector Indexes™ GmbH (the **Index Provider**), an affiliated company of the Manager. The Index Provider has contracted with Solactive AG to maintain and calculate the Index. The Index Provider does not sponsor, endorse, or promote the Fund and bears no liability with respect to the Fund or any security. The Index Provider will notify the Fund of material errors in the Index via the Index Provider's website. The Index Provider is an authorised benchmark administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation.

In accordance with Central Bank requirements, the Company is required to provide details of the Index Provider's website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company has no responsibility for the Index Provider's website and is not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof. Further information in relation to the Index may be found on the Index Provider's website, [www.marketvector.com](http://www.marketvector.com).

## **6 INVESTMENT RESTRICTIONS**

The general investment restrictions as set out in the Prospectus shall apply. The Fund may not invest more than 10% of its Net Asset Value in open-ended collective investment schemes.

The Fund may not invest less than 51% of its Net Asset Value in equity securities which constitute "equity participation" within the meaning of section 2, Article 8 of the German Investment Tax Act (Investmentsteuergesetz). Equity participation in this context consists of shares in corporations traded or admitted for trading on a regulated market or multilateral trading facility (MTF) considered as such by the European Securities and Markets Authority (ESMA). The actual equity participation ratios of target investment funds can be taken into account.

There may be instances where the weighting of any constituent security of the Index could cause the Fund to breach the investment restrictions set out in the Prospectus. If such an event occurs, it is intended that the Fund will purchase other assets, the effect of which will seek to maintain, so far as is possible, the same economic exposure to and the same weighting of the security of that issuer in the Index without breaching its investment restrictions.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders.

## **7 BORROWING**

The Fund may borrow money in an amount up to 10% of the market value of its net assets at any time for the account of any Fund and the Depositary may charge the assets of the Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Fund may acquire currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of the Regulations provided that the offsetting deposit is denominated in the Base Currency of the Fund and equals or exceeds the value of the foreign currency loan outstanding.

## **8 RISK FACTORS**

The general risk factors as set out in the section entitled Risk Factors in the Prospectus apply.

Investors in the Fund should be willing to accept a high degree of volatility in the price of the Fund's Shares and the possibility of significant losses. An investment in the Fund involves a substantial degree of risk. Therefore, you are advised to consider carefully the following risks before investing in the Fund.

An investment in the Fund may be subject to risks which include, among others, material transaction cost from rebalancing activity and fluctuations in the value of securities held by the Fund due to market and economic conditions or factors relating to specific issuers.

The value of investments and the income from them, and therefore the value of and income from the Shares can go down as well as up and an investor may not get back the amount invested. The Fund's exposure is based on the performance of the Index securities which, in turn, is exposed to general market movements (negative as well as positive).

Certain additional risks may also be associated with the Fund, including, without limitation:

### **8.1 Risk of Investing in the Healthcare Industry**

The Fund will be sensitive to changes in, and its performance may depend to a greater extent on, the overall condition of the healthcare sector. The healthcare sector may be affected by government regulations and government healthcare programs, increases or decreases in the cost of medical products and services, an increased emphasis on outpatient services, and product liability claims, among other factors. Many healthcare companies are heavily dependent on patent protection, and the expiration of a company's patent may adversely affect that company's profitability. Healthcare companies are subject to competitive forces that may result in price discounting and may be thinly capitalized and susceptible to product obsolescence. Companies in the healthcare sector may also be affected by unforeseen circumstances including but not limited to the spread of infectious disease which could impact drug development priorities and pipelines, supply and demand dynamics for health care equipment, as well as the ability to receive care in health care service facilities.

### **8.2 Risk of Investing in the Information Technology Industry**

The Fund will be sensitive to changes in, and its performance may depend to a greater extent on, the overall condition of the information technology sector. Information technology companies face intense competition, both domestically and internationally, which may have an adverse effect on profit margins. Information technology companies may have limited product lines, markets, financial resources or personnel. The products of information technology companies may face product obsolescence due to rapid technological developments and frequent new product introduction, unpredictable changes in growth rates and competition for the services of qualified personnel. Companies in the information technology sector are heavily dependent on patent protection and the expiration of patents may adversely affect the profitability of these companies.

### **8.3 Risk of Investing in Medical Equipment Companies**

Many companies in the medical equipment and devices industry are affected by the expiration of patents, litigation based on product liability, industry competition, product obsolescence and regulatory approvals, among other factors.

#### **8.4 Risks Related to Investing in the Biotechnology Industry**

Biotechnology companies face intense competition and the potential for rapid product obsolescence. Biotechnology companies may be adversely affected by the loss or impairment of intellectual property rights or changes in government regulations. Demand for biotechnology products and services, generally speaking and specific to sub-segments, may fluctuate due to unexpected events, including but not limited to global health crises like pandemics which could strain health care systems and alter health care needs. Such demand fluctuations could positively or negatively impact biotechnology companies.

#### **8.5 Risk of Investing in Small and Medium-Capitalisation Companies**

The securities of small- and medium-capitalisation companies may be more volatile and less liquid than the securities of large companies. As securities of small- and medium-capitalisation companies may experience more market price volatility than securities of larger companies, the net asset value of any fund which invests in small- and medium-capitalisation companies (such as the Fund) may reflect this volatility. Small- and medium-capitalisation companies, when compared with larger companies, may have a shorter history of operations, fewer financial resources, less competitive strength, may have a less diversified product line, may be more susceptible to market pressure and may have a smaller market for their securities. Investment in small- and medium-capitalisation companies may involve comparatively higher investment costs and accordingly investment in the Fund should be viewed as a long term investment. The Fund may however dispose of an investment made by it within a relatively short period of time, for example, to meet requests for redemption of Shares.

#### **8.6 Risk of Investing in Emerging Markets**

Investments in emerging market countries involve certain considerations not usually associated with investing in securities of developed countries or of companies located in developed countries. Funds that invest in companies located in emerging market countries or companies deriving all or parts of their revenue from emerging market countries are subject to special risks associated with investment in an emerging market including: securities markets are generally less liquid and less efficient; securities markets may be less well-regulated resulting in potential for significant price volatility; currency fluctuations and exchange control; imposition of restrictions on the repatriation of funds or other assets; reduced availability of publicly available information concerning issuers; the imposition of taxes including potential for retroactive taxes to be imposed; higher transaction and custody costs; settlement delays and risk of loss; less liquidity and smaller market capitalisations; difficulties in enforcing contracts; governmental interference; higher inflation; social, economic and political uncertainties; different accounting, auditing and financial reporting standards or of other regulatory practices and requirements comparable to developed markets; lack of uniform disclosure standards; potential for expropriation or nationalisation; custodial and/or settlement systems may not be fully developed whereby the Fund may encounter delays in settlement and may not be able to recover or may encounter delays in the recovery of some of its assets or which may expose a Fund to sub-custodial risk; and the risk of war. An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors. As a result of the above risks, the Fund's investments can be adversely affected and the value of your investments may go up or down.

#### **8.7 Special Risk Considerations of Investing in Asian Issuers**

The Fund may invest in securities issued by Asian issuers and, accordingly, may be subject to the risk of investing in such issuers. Investment in securities of issuers in Asia involves risks and special considerations not typically associated with investment in the securities markets of developed countries. Certain Asian economies have experienced over-extension of credit, currency devaluations

and restrictions, high unemployment, high inflation, decreased exports and economic recessions. Economic events in any one Asian country can have a significant effect on the entire Asian region as well as on major trading partners outside Asia, and any adverse effect on some or all of the Asian countries and regions in which the Fund invests. The securities markets in some Asian economies are relatively underdeveloped and may subject the Fund to higher action costs or greater uncertainty than investments in more developed securities markets. Such risks may adversely affect the value of the Fund's investments.

## **8.8 Foreign Currency Risk**

In the event that the Fund's assets are invested in securities denominated in currencies other than the Base Currency, all or a portion of the proceeds received by the Fund from its investments and/or the revenues received from such underlying issuer will generally not be in the Base Currency. The Fund's exposure to foreign currencies and changes in the value of foreign currencies versus the Base Currency may result in reduced returns for the Fund. Moreover, the Fund may incur costs in connection with conversions between the Base Currency and foreign currencies. The value of an emerging market country's currency may be subject to a high degree of fluctuation. This fluctuation may be due to changes in interest rates, investors' expectations concerning inflation and interest rates, the emerging market country's debt levels and trade deficit, the effects of monetary policies issued by foreign governments, central banks or supranational entities, the imposition of currency controls or other national or global political or economic developments. The economies of certain emerging market countries can be significantly affected by currency devaluations. Certain emerging market countries may also have managed currencies which are maintained at artificial levels relative to the Base Currency rather than at levels determined by the market. This type of system could lead to sudden and large adjustments in the currency, which in turn, can have a negative effect on the Fund and its investments.

## **8.9 Equity Securities Risk**

The value of the equity securities held by the Fund may fall due to general market and economic conditions, perceptions regarding the markets in which the issuers of securities held by the Fund participate, or factors relating to specific issuers in which the Fund invests. For example, an adverse event, such as an unfavourable earnings report, may result in a decline in the value of equity securities of an issuer held by the Fund; the price of the equity securities of an issuer may be particularly sensitive to general movements in the securities markets; or a drop in the securities markets may depress the price of most or all of the equity securities held by the Fund. Equity securities are subordinated to preferred securities and debt in a company's capital structure with respect to priority in right to a share of corporate income, and therefore will be subject to greater dividend risk than preferred securities or debt instruments. In addition, while broad market measures of equity securities have historically generated higher average returns than fixed income securities, equity securities have also experienced significantly more volatility in those returns. A change in the financial condition, market perception or the credit rating of an issuer of securities included in the Fund's index may cause the value of its securities to decline.

## **8.10 Risk of Issuer-Specific Changes**

The value of individual securities or particular types of securities in the Fund's portfolio can be more volatile than the market as a whole and can perform differently from the value of the market as a whole, which may have a greater impact if the Fund's portfolio is concentrated in a country, group of countries, region, market or asset class. The value of securities of smaller issuers can be more volatile than that of larger issuers. A change in the financial condition, market perception or the credit rating of an issuer of securities included in the Index may cause the value of its securities to decline.

## 8.11 Liquidity Risk

The Company provides daily liquidity. Under normal circumstances, all positions can be sold within a very short period of time without realising significant losses. However, unforeseen circumstances can give rise to abnormal conditions which could cause the Company to face liquidity risk. It could be unable to sell its positions as a result. The degree to which the securities in which the Fund invests can be traded affects the level of the actual buy and sell prices. This could mean that securities cannot be sold or can only be sold at a substantially lower price than the valuation assigned and the Fund may be unable to free up adequate funds to satisfy its purchase obligations. The bid/ask prices can deviate from the asset value of the share in the Fund, as a result of which the performance may deviate from that of the underlying Index or Indices, certainly in the event of limited liquidity on the market. To limit this risk, investments are only made in listed securities. In exceptional circumstances, if the purchase of shares in the Company is suspended for instance, there could be a risk that the investor may be unable to sell their investment at the desired moment or for a reasonable price. Given the open-ended character of the Company, it could be confronted with a high number of exits which would mean investments would have to be liquidated under potentially unfavourable conditions. This would negatively impact the value of the share. As described in this Prospectus, the purchase of shares may be (temporarily) suspended under certain circumstances.

## 8.12 Concentration Risk

The Fund's assets may be concentrated in a particular sector or sectors or industry or group of industries to the extent the Index concentrates in a particular sector or sectors or industry or group of industries. Accordingly, the Fund may be subject to the risk that economic, political or other conditions that have a negative effect on a particular industry or sector will negatively impact the Fund to a greater extent than if the Fund's assets were invested in a wider variety of sectors or industries.

The Fund may be particularly vulnerable to this risk because the Index is comprised of securities of a very limited number of issuers. The Fund's assets may be concentrated in a small number of stocks and/or may be concentrated in particular sectors which may subject the Fund to more risk than investments in a diverse group of companies and sectors.

## 9 DIVIDEND POLICY

It is not proposed that the Directors will declare a dividend in respect of the Fund. Full details of any change to the Fund's dividend policy will be provided in an updated Supplement and all Shareholders will be notified in advance.

## 10 KEY INFORMATION FOR PURCHASING AND SELLING

|                      |  |
|----------------------|--|
| <b>Base Currency</b> | US Dollar (USD)  |
| <b>Business Day</b>  | means every day other than a Saturday or Sunday (or such other day(s) as the Directors may from time to time determine and notify in advance to Shareholders).   |
| <b>Dealing Day</b>   | In general, each Business Day will be a Dealing Day. However, certain Business Days will not be Dealing Days where, in the sole determination of the Manager: (i) markets on which the Fund's investments are listed or traded, or markets relevant to the Index are closed, and/or (ii) there is a public holiday in the jurisdiction in which the Manager or its delegate(s), if applicable, is or are based; provided there is at least one Dealing Day |



|                         |   |
|-------------------------|---|
|                         | per fortnight. The Dealing Days for the Fund are available at <a href="http://www.vaneck.com">www.vaneck.com</a> .  |
| <b>Dealing Deadline</b> | 4:00 p.m. (Irish time) on the Business Day prior to the relevant Dealing Day.   |
| <b>Settlement Date</b>  | In the case of subscription(s), within 2 Business Days of the relevant Dealing Day.<br><br>In the case of repurchases, within 3 Business Days of the relevant Dealing Day.    |
| <b>Valuation Point</b>  | 11:00 p.m. (Irish time) on the relevant Dealing Day.  |
| <b>Website</b>          | Information on portfolio composition and details of intra-day portfolio value ( <b>iNAV</b> ) are set out on the website - <a href="http://www.vaneck.com">www.vaneck.com</a> |

### Description of the Shares

|                                     |   |
|-------------------------------------|---|
| <b>Share Class</b>                  | A   |
| <b>ISIN</b>                         | IE000B9PQW54  |
| <b>Initial Offer Period</b>         | The Initial Offer Period shall commence at 9:00 a.m. (Irish time) 2 August 2022 and close at 5.00 p.m. (Irish time) on 1 February 2023 as may be shortened or extended by the Directors and notified to the Central Bank. |
| <b>Initial Price</b>                | Approximately USD 20, plus an appropriate provision for Duties and Charges, or such other amount as determined by the Manager and communicated to investors prior to investment.  |
| <b>Creation Unit</b>                | 50,000 Shares or such other amount as may be determined by the Directors at their discretion.   |
| <b>Minimum Initial Subscription</b> | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Initial Subscription.   |
| <b>Minimum Holding</b>              | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Holding.  |

## 11 CHARGES AND EXPENSES

The following fees and expenses will be incurred by the Company on behalf of the Fund and will affect the Net Asset Value of the relevant Class of Share of the Fund:

|                    |   |
|--------------------|---|
| <b>Share Class</b> | A |
|--------------------|---|

|                  |   |
|------------------|---|
| <b>Total Fee</b> | Up to 0.35% per annum or such lower amount as may be advised to Shareholders from time to time. |
|------------------|---|

The Total Fee, a percentage of the Net Asset Value of the relevant Class of Shares (plus VAT, if any), is payable by the Company out of the Fund Assets to the Manager. The Total Fee will accrue on each day and will be calculated on each Dealing Day and paid monthly in arrears. The Total Fee will cover all of the ordinary fees, operating costs and expenses payable by the Fund including fees and expenses paid to the Manager, all ordinary costs and expenses connected with the management and operating activities of the Fund, including investment management and advisory fees, Director's fees, registration, transfer agency, administration and custody fees, registrar fees, regulators and auditors and certain legal expenses of the Company. The Total Fee does not include extraordinary costs and expenses (including but not limited to transaction charges, stamp duty or other taxes on the investments of the Company including duty charges for portfolio re-balancing, withholding taxes, commissions and brokerage fees incurred with respect to the Company's investments, interest on any non-overdraft credit facility and charges incurred in negotiating, effecting or varying the terms of such facility, any commissions charged by intermediaries in relation to an investment in the Fund and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the Company all of which will be paid separately out of the assets of the Fund). The cost of establishing the Fund will be borne by the Manager.

This section entitled Charges and Expenses should be read in conjunction with the sections entitled General Charges and Expenses and Management Charges and Expenses in the Prospectus.

## **12 REGISTRATION FOR PUBLIC DISTRIBUTION AND LISTING**

Application is expected to be made to register the Fund for public distribution in various countries.

Application will be made to list the Shares on Euronext and other stock exchanges. Through the operation of such a secondary market, persons who are not Authorised Participants or not able or willing to subscribe for and redeem Creation Units will be able to buy Shares from or sell Shares to other retail investors or market makers, broker/dealers, or other Authorised Participants at prices which should approximate, after currency conversion, the Net Asset Value of the Shares.

## **13 HOW TO BUY AND SELL SHARES**

Investors can buy and sell Shares on the secondary market as described above in accordance with the procedures set out in the section entitled Secondary Market in the Prospectus.

Investors can otherwise subscribe for or redeem Creation Units in accordance with the procedures set out in the Prospectus.

## **14 SUSTAINABLE FINANCE DISCLOSURE**

The Manager has categorised the Fund as meeting the provisions set out in Article 9(1) of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector ("**SFDR**") for products which have sustainable investment as their objective and where an index has been designated as a reference benchmark, as further described in Annex I of this Supplement.

## 14.1 Sustainable investment objective

This Fund aims at contributing to a social objective, namely the accessibility of medical services and improving quality of human health. Genomic treatments are aimed at treatment of diseases such as cancer, old age and inborne diseases. Digital healthcare experienced a surging demand over recent years due to the challenges to meet patients in-person. For genomic treatments and digital healthcare there is much room for further growth. Therefore, the Fund invests in companies which contribute to research and development of genetics-based healthcare therapies and electronic healthcare platforms.

The Fund has a passive investment policy whereby the Fund aims to follow the Index as closely as possible. The relevant Index consists primarily of companies that generate a substantial part of their revenues from genomic health care and electronic healthcare. The Index includes mainly companies that derive at least 50% (25% for current components) of their revenues from:

- Healthcare therapies based on the targeting or modification of genetic makeup of cells or uses mRNA,
- Technology platforms that enable the development of genetics-based healthcare therapies,
- Laboratory equipment or services used to test, code, or develop genetics-based healthcare therapies,
- Software used to facilitate online medical consultations,
- E-Commerce pharmacies,
- Software for the management of medical practices and/or patient records,
- Outpatient medical Internet of Things devices.

In addition, certain screenings are applied in the index construction to ensure that the companies do not significantly harm any other environmental or social sustainable investment objective. By means of ISS data companies are screened for activities which may negatively affect sustainability factors. The screenings consist of various components:

- Norms-Based Research whereby companies are screened for violations of international standards concerning various norms such as human rights, labor rights, environmental risk and bribery. ISS Norm-Based Research framework consists of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights and is embedded in the Sustainable Development Goals.
- Involvement in controversial weapons.
- Involvement in civilian firearms.
- Involvement in controversial sectors if 5% revenue or more derived from activities in the tobacco industry, thermal coal mining, gambling, oil sands, military equipment and services and nuclear power.

## 14.2 Sustainability Risks

Sustainability risk is the risk that the value of an investment will decline as a result of an environmental, social or governance (ESG) event or circumstance. Ecological events include climate change, scarcity

of natural resources and pollution. Social events may include labour issues and product liability. Governance can include themes such as shareholder rights, business ethics, diversity and executive remuneration. Sustainability risks can arise in all kinds of forms. With regard to the theme of climate, for example, there is a distinction between transition risks and physical risks, whereby transition risks can be divided into legal and regulatory risks, technological risks, market risks and reputation risks. In addition, the impact of sustainability risk has various scopes, including company-specific, sector-specific and on country level. The occurrence of a sustainability risk results in other (financial) risks manifesting. This can negatively affect the value of the investment.

Concrete examples of sustainability risks for the Fund are: a company has an overly generous remuneration policy or a remuneration policy that is inconsistent with the interests of the shareholders. Also, a company's reputation can deteriorate as a result of negative publicity about an environmental or labour issue that can cause the value of its stock to decline. The expected impact of sustainability risks on the return depends on the type of sustainability risk that materializes. For developed and emerging markets equity portfolios, this expected impact is generally viewed as significant.

### **14.3 Sustainability Risk Integration**

The Fund has a passive investment policy whereby the Fund aims to follow the Index as closely as possible. The Index consists primarily of companies that generate a substantial part of their revenues from genomic and electronic healthcare. In paragraph 14.1 the selection criteria and screenings performed for the Index construction are described. These measures reduce the sustainability risk considerably. In addition to the determination of the investment universe applied to the Fund, the Manager integrates sustainability risks by means of the following measure:

#### **Exclusions**

Exclusions apply to this Sub-Fund as further outlined in section 2.2 and 14.1 of this Supplement as well as section 10 of the Prospectus.

#### **Voting**

The Manager can exercise his voting rights at shareholders' meetings, according to the Proxy Voting Policy. To assist in its responsibility for voting proxies and the overall voting process, the Manager has engaged an independent third party proxy voting specialist, Glass Lewis Europe Limited, which takes also Environmental, Social and Governance factors into account when casting votes.

In particular, the Glass Lewis ESG voting policy is applied:

- On the Environmental side, within others, measures in favour of increased disclosure of a company's environmental risk through company-specific disclosure as well as compliance with international environmental conventions and adherence to environmental principles will be supported. Similarly, the ESG Policy will support proposals requesting companies develop greenhouse gas emissions reduction goals, comprehensive recycling. The ESG Policy will evaluate a company's impact on the environment, in addition to the regulatory risk a company may face by not adopting environmentally responsible policies. Further, the ESG Policy will consider voting against directors for not appropriately overseeing environmental risk.
- On the Social side, the ESG Policy will support several proposals, including but not limited to requesting that a company develop sustainable business practices, such as animal welfare policies, human rights policies, and fair lending policies. Furthermore, the ESG Policy will also generally support enhancing the rights of workers, as well as considering the communities and broader constituents in the areas in which companies do business.

- On the Governance side, the ESG Policy supports, within other aspects, increased shareholder participation and access to a company and its board of directors. Accordingly, the ESG Policy will vote in favour of initiatives that seek to enhance shareholder rights, such as the introduction of majority voting to elect directors, the adoption and amendment of proxy access bylaws, the elimination/reduction of supermajority provisions, the declassification of the board, the submission of shareholder rights' plans to a shareholder vote, and the principle of one share, one vote.

## **Engagement**

The Manager appointed a third-party engagement specialist, Glass Lewis Europe Limited, for the passive equity funds managed by VanEck Asset Management B.V. The engagement provider determines the engagement approach in accordance with its engagement policy and based on its engagements' priorities.

## **15 OTHER INFORMATION**

New Funds may be created from time to time by the Directors with the prior approval of the Central Bank in which case further Supplements incorporating provisions relating to those Funds will be issued by the Company.

The names of the Funds currently approved by the Central Bank are listed in the Global Addendum.

## **SCHEDULE 1**

### **DISCLAIMER**

The Index is the exclusive property of MarketVector Indexes GmbH (MarketVector), a wholly owned subsidiary of the Manager, which has contracted with Solactive AG to maintain and calculate the Index. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards MarketVector, Solactive AG has no obligation to point out errors in the Index to third parties. The Fund is not sponsored, endorsed, sold or promoted by MarketVector and MarketVector makes no representation regarding the advisability of investing in the Fund. The Index is calculated weekdays between 01:00 and 22:40 (CET) and the Index values are disseminated to data vendors every 15 seconds on days when the US equity market is open for trading. The Index is disseminated in USD.

In accordance with Central Bank requirements, the Company and the Fund are required to provide details of the Index Provider's website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company and the Funds have no responsibility for the Index Provider's website and are not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof.

The indicative optimised portfolio value/intra-day portfolio value is calculated by S&P Global Ltd.

## ANNEX I

Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: VanEck Genomics and Healthcare Innovators UCITS ETF

Legal entity identifier: 254900K9GCSPWNLRN078

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Sustainable investment objective

| Does this financial product have a sustainable investment objective?   |  |
|--|--|
| <input checked="" type="radio"/> <b>Yes</b>  | <input type="radio"/> <b>No</b>  |
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: ____%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> | <input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> |
| <input checked="" type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: 100%</b>   | <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>   |



### What is the sustainable investment objective of this financial product?

The Fund aims investing in companies that enhance and developing products and services that increase the accessibility of healthcare (e-healthcare) and improvement of the quality of life via genomic disease treatment and diagnostics, thereby contributing to social objectives aligned with the SDG goal #3 "Good Health and Well-being".

Therefore, the Fund aims to invest in companies which were determined by the Index Provider to generate a significant (>50%, >25% for current components) part of their revenues from the following sub-themes:

- (A) Healthcare therapies based on the targeting or modification of genetic makeup of cells or uses mRNA;
- (B) Technology platforms that enable the development of genetics-based healthcare therapies;
- (C) Laboratory equipment or services used to test, code, or develop genetics-based healthcare therapies;

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

- (D) Software used to facilitate online medical consultations;
- (E) E-Commerce pharmacies;
- (F) Software for the management of medical practices and/or patient records;
- (G) Outpatient medical Internet of Things devices which allow remote monitoring of health indicators such as heart rate and rhythm, or glucose levels.

A reference benchmark has been designated for the purpose of attaining the sustainable investment objective.

Compared to a non-ESG fund with similar exposure, this Fund applies mandatory Environmental and Social factors and limits. These are corresponding to the Principle Adverse Impacts specified below.

● **What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?**

The Fund measures the following sustainability indicators:

| Indicator  |
|--|
| The weighted percentage of investee companies' revenues derived from contribution to genomics and e-Healthcare.  |
| The percentage of portfolio involved in violations of UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights. The target is 0% at rebalancing. |
| The percentage of portfolio involved in the fossil fuels industry  |
| The percentage of portfolio involved in non-renewable energy production.   |

● **How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**

Screenings are applied in the index construction to ensure that the companies do not significantly harm any other environmental or social sustainable investment objective. The screenings consist of various components:

- Controversial sector involvement whereby companies are screened for involvement in:
  - Controversial weapons: a 0% involvement threshold is applied for production of weapons or supply of critical components for them.
  - Civil firearms: a 0% involvement threshold is applied.
  - Tobacco, thermal coal, fossil fuels, oil sands, nuclear power, military equipment and services and gambling: a 5% revenue threshold is applied.
- Norm-Based Research whereby companies are screened for violations of international standards concerning various norms such as human rights, labor rights, environmental risk and bribery.

Companies for which there is no data available on one or more screening components do not constitute a violation of environmental or social objectives on that specific screening component. Companies that are not covered by the ESG data provider or for which all relevant data fields are not collected by the ESG data provider may be eligible for inclusion.

— **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Fund considers the following principal adverse impacts on sustainability factors:

1. Greenhouse Gas (GHG Emissions):
  - Part of Norm-based research on environmental protection "Failure to mitigate climate change impacts"
  - Fossil Fuel/Coal - Total Maximum Percentage of Revenues is 5%: This factor provides the maximum percentage of recent-year revenues for the issuer's

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



- total involvement in coal/fossil fuel, including any exposure in Production, Exploration, Distribution, and Services.
- Companies that are eligible for the index inclusion under sub-theme F, must display a positive environmental impact by having at least one score larger than zero, and the other score at least zero, related to the Contribution and Achievement of Sustainable Agriculture and Forestry or Agriculture Climate Change Contribution.
- 2. Biodiversity
  - Part of Norm-based research on environmental protection "Failure to prevent depletion of biodiversity" and "Failure to prevent deforestation / illegal logging"
- 3. Water
  - Part of Norm-based research on environmental protection "Failure to prevent depletion of biodiversity", "Failure to prevent water pollution" and "Failure to prevent oil spill"
- 4. Waste
  - Part of Norm-based research on environmental protection "Poor waste management", "Poor nuclear safety", "Failure to prevent pollution" and "Failure to mitigate the production / distribution of hazardous substances"
- 5. Social and employee, respect for human rights, anti-corruption and anti-bribery matters
  - Norm-based screening covers controversial practices that have adverse impacts on society and the environment in line with established expectations for Responsible Business Conduct as set forth in the core normative framework consisting of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights, all of which are embedded in the Sustainable Development Goals.
  - Part of Norm-based research on Human Rights, including "Failure to conduct human rights due diligence" and "Failure to provide equal pay for work of equal value"
  - Controversial weapons screenings are performed whereby companies with a RED exposure score in anti-personnel mines, biological and chemical weapons, cluster munitions, depleted uranium, incendiary weapons, white phosphorus and nuclear weapons are excluded from the index.

A description on how the Fund has considered Principal Adverse Impacts on sustainability factors in the preceding year is included in the Fund's annual report.

— — — *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Norm-based research is conducted, whereby companies are screened for violations of international standards concerning various norms such as human rights, labor rights, environmental risk and bribery. Norm-based Research framework consists of research on the level of adherence of a company to the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights and is embedded in the Sustainable Development Goals.

Violations of these standards are measured by reference to the Case Severity Indicator. The Case Severity Indicator is a measure of the reported risk or impact on society or the environment and takes into account the degree of corporate involvement. The values which refer to severity are indicated in the Normed-based Research Methodology as 'Very Severe', 'Severe', 'Moderate' and 'Potential'. The 'Very Severe' value identifies instances where the company is reportedly causing/contributing to critical adverse impact and is excluded from the Index.

Furthermore, the overall Norm-based research Score ("NBSoOverallScore") assigns a 1-10 rating score to an issuer based on the issuer's link with any violations of international

standards. The Index Provider excludes from the investable universe the companies which are assessed with a score of 9 or 10, equivalent to verified or imminent failure to respect established norms.



### Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes

☐ No

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

By means of Norm-based research and Controversial sector involvement screenings the Fund takes the principal adverse impacts on sustainability factors relating to greenhouse gas emissions, biodiversity, water, waste, social and employee, respect for human rights, anti-corruption and anti-bribery matters into account.

For detailed information, please refer to the questions *"How have the indicators for adverse impacts on sustainability factors been taken into account?"* and *"How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?"*

Additionally, principal adverse impacts are considered as part of the Glass Lewis ESG policy guidelines, whereby casted votes regard the environment, energy efficiency, the use of renewable energy sources, enhancing the rights of workers, violation of international human rights standards, gender pay inequity and board diversity.



### What investment strategy does this financial product follow?

The Fund's investment objective is to replicate, before fees and expenses, the price and yield performance of the MVIS<sup>®</sup> Global Future Healthcare ESG Index. The Fund seeks to invest in companies generating revenues from genomic healthcare and e-Healthcare industries. Norm-based research and Controversial sector involvement screenings are performed in the selection of companies in the index. In addition, the Glass Lewis ESG-tilted voting policy is applied, whereby casted votes in shareholder meetings of companies in the portfolio concern sustainability matters.

#### ● **What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?**

The Fund's investments must comply with the following binding elements:

1. Companies must generate at least 50% (25% for current components) of their revenues from the genomic health care and electronic healthcare industries.
2. Companies must comply with the criteria defined for Norm-based research and Controversial sector involvement screenings to ensure that the companies in the portfolio do no significant harm to other sustainability related objectives. The exact thresholds are described under *"How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?"* and the two subsequent questions.

#### ● **What is the policy to assess good governance practices of the investee companies?**

Good governance relates to sound management structures, employee relations, remuneration of staff and tax compliance. The Fund excludes companies when ISS rating

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



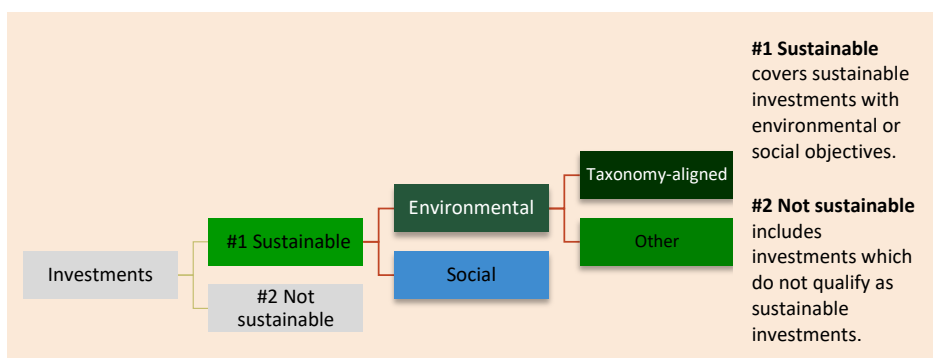
shows the verifiably violated or imminent to violate the OECD Guidelines for multinational enterprises and the UN Guiding Principles on Business and Human Rights.

Assessment is performed at any rebalancing of the underlying Index, excluding companies with a score of 9 or 10, according to the Norm-based research overall score approach.

In addition, the Fund also excludes companies with severe and very severe controversy ratings. The rating takes into account, among others, Accounting Fraud, Anti-competitive Behaviour, Bribery, Money Laundering, Failure to manage cybersecurity, Failure to pay fair share of taxes, Poor stakeholder consultation, Workplace discrimination, Labour Rights Violations, Working Conditions as well as Supply-Chain standards.

## What is the asset allocation and the minimum share of sustainable investments?

The Fund invests in direct financial instruments of which 100% is sustainable. All of these sustainable investments are socially sustainable.



## How does the use of derivatives attain the sustainable investment objective?

The Fund does not invest in derivatives. Therefore this question is not applicable.

**Asset allocation** describes the share of investments in specific assets.



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Due to the Fund's emphasis on social objectives, within the meaning of Article 9 of the SFDR, the Fund does not intend to invest in economic activities that contribute to an environmental objective. The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. As such, the Fund's portfolio alignment with such Taxonomy Regulation is not calculated. It follows that the minimum extent of sustainable investments with an aligned environmental objective aligned with the Taxonomy Regulation is currently 0%.


## Does the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?

☐ Yes

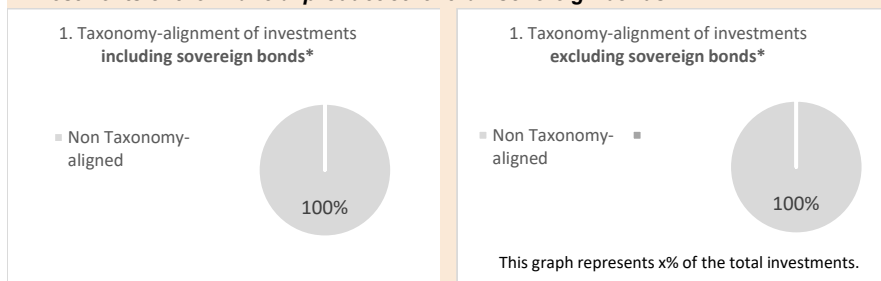
☐ In fossil gas ☐ In nuclear energy

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

 No

 are environmentally sustainable investments that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● What is the minimum share of investments in transitional and enabling activities?

The minimum share of investments in transitional and enabling activities is 0%.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The minimum share of non-aligned environmental sustainable investments is 0%.



What is the minimum share of sustainable investments with a social objective?

100% of the Fund's investments is sustainable with a social objective that are not aligned with the EU Taxonomy. This is determined based on the (potential) revenue streams of companies related to the genomic health care and electronic healthcare industries and the criteria defined for Norm-based research and Controversial sector involvement screenings to ensure that the companies in the portfolio do no significant harm to other sustainability related objectives.



What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

Not applicable, all investments are sustainable.



Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

As a passive investment's strategy, the Fund has designated its underlying index, the MVIS® Global Future Healthcare ESG Index, as reference benchmark to meet the sustainable investment objective.

● ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

Sustainability factors are considered as part of screenings which are included in the reference benchmark and assessed at any rebalancing of the underlying Index. By means of Norm-based research and Controversial sector involvement screenings the Fund takes sustainability factors relating to greenhouse gas emissions, biodiversity, water, waste, social and employee, respect for human rights, anti-corruption and anti-bribery matters into account. For detailed information, please refer to the questions *"How have the indicators for adverse impacts on sustainability factors been taken into account?"* and *"How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?"*

● ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

In order to seek to achieve its investment objective, the investment policy of the Fund is to use a replication strategy by investing directly in the underlying equity securities that consists of the component securities of the Index. The Fund is 'passively' managed. The Fund's Manager, in order to ensure the alignment with the sustainable investments, monitors that the holdings are screened against the underlying Index's rules by means of:

- Replication by the Portfolio Management Team of the Index based on the Index rules, Those also contain the requirements relating to the percentage of companies' revenues derived from hydrogen projects, Norm-based research and Controversial sector involvement screenings (tobacco, fossil fuels, thermal coal mining, gambling, oil sands, civilian firearms, military equipment and services, and nuclear power), as coded in the Bloomberg Compliance Manager system. The Index components are periodically rebalanced by the Index provider.
- Reporting of any breaches of the Index rules by the Legal and Compliance Team, in line with VanEck's policies and procedures, which are established to assess the alignment of the funds' investments with the Index and to undertake recovery measures where necessary.
- Periodic confirmation on sustainability integration by the Index provider as part of the regular due diligence.
- Establishment of an ESG Committee which periodically reviews the compliance of the Fund's characteristics with the current regulation and which goal is to establish, maintain and further develop and monitor ESG strategies offered by VanEck. The ESG Committee is composed by the managing directors and at least one member of each department.
- Appointment of a proxy voting specialist - Glass Lewis Europe Limited - to exercise voting rights for all equity funds also on ESG factors. VanEck is periodically informed by the service provider on the voting activities.
- Appointment of a third-party engagement specialist - Glass Lewis Europe Limited - for the passive equity funds managed by VanEck Asset Management B.V. The engagement provider determines the engagement approach in accordance with its engagement policy and based on its engagements' priorities.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.

● ***How does the designated index differ from a relevant broad market index?***

The index differs from a generic broad market index in following ways:

- Thematic investment approach: companies that generate at least 50% (25% for current components) of their revenues from the genomic health care and electronic healthcare industries.
- ESG screenings: companies with very severe social norms violations, the ones that are involved in civilian firearms, controversial weapons or that exceed certain thresholds of revenue exposure to various sectors (tobacco, energy extractives, gambling and military equipment and services), are not eligible for inclusion.

● ***Where can the methodology used for the calculation of the designated index be found?***

Information on the methodology can be found on the Index Provider's website:

[https://www.mvis-indices.com/rulebooks/download/mv\\_equity\\_guide.pdf](https://www.mvis-indices.com/rulebooks/download/mv_equity_guide.pdf).



**Where can I find more product specific information online?**

More product-specific information can be found on the website:

<https://www.vaneck.com/ie/en/CURE>.

**VANECK UCITS ETFs plc**

**Supplement dated 19 September 2025**

**for**

**VanEck Medical Robotics and Bionic Engineering UCITS ETF**

This Supplement contains specific information in relation to the **VanEck Medical Robotics and Bionic Engineering UCITS ETF** (the **Fund**), a sub-fund of VanEck UCITS ETFs plc (the **Company**), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank pursuant to the Regulations.

**This Supplement forms part of, may not be distributed unless accompanied by (other than to prior recipients of the Prospectus of the Company dated 20 December 2024, as may be amended, supplemented, or modified from time to time), and should be read in conjunction with the Prospectus for the Company.**

THIS DOCUMENT IS IMPORTANT. YOU SHOULD NOT PURCHASE SHARES IN THE FUND DESCRIBED IN THIS SUPPLEMENT UNLESS YOU HAVE ENSURED THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT AND THE RISKS INVOLVED AND ARE SATISFIED THAT THE INVESTMENT IS SUITED TO YOUR CIRCUMSTANCES AND OBJECTIVES, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU ARE RECOMMENDED TO TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR.

The Directors of the Company whose names appear in the section entitled **Directors of the Company** in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

**Shares purchased on the secondary market cannot usually be sold directly back to the Fund. Investors must buy and sell Shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value when buying Shares and may receive less than the current Net Asset Value per Share when selling them.**

**An investment in the Fund, whose securities comprise holdings in emerging markets, should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors.**

Certain risks attached to investments in the Fund are set out in the Prospectus in the section entitled Risk Factors.

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## **1 IMPORTANT INFORMATION**

### **1.1 Profile of a typical investor**

A typical investor is expected to be an informed investor who is able to bear capital and income risk, and should view investment in the Fund as a medium to long term investment. A typical investor is expected to be an investor who wishes to take exposure to the markets covered by the Fund's investment policy and is prepared to accept the risks associated with an investment of this type, including the volatility of such market.

### **1.2 General**

This Supplement sets out information in relation to the Shares and the Fund. You must also refer to the Prospectus which is separate to this document and describes the Company and provides general information about offers of shares in the Company. You should not take any action in respect of the Shares unless you have received a copy of the Prospectus. Should there be any inconsistency between the contents of the Prospectus and this Supplement, the contents of this Supplement will, to the extent of any such inconsistency, prevail. This Supplement and the Prospectus should both be carefully read in their entirety before any investment decision with respect to Shares is made.

The Shares of the Fund have been admitted to listing on the Official List and trading on the Regulated Market of Euronext Dublin. This Supplement together with the Prospectus includes all information required to be disclosed by Euronext Dublin listing requirements and comprise listing particulars for the purpose of listing the Shares of the Fund on Euronext Dublin.

Neither the admission of Shares of the Fund to listing on the Official List and to trading on the Regulated Market of Euronext Dublin nor the approval of the listing particulars pursuant to the listing requirements of Euronext Dublin shall constitute a warranty or representation by Euronext Dublin as to the competence of service providers to or any other party connected with the Fund, the adequacy of information contained in the listing particulars or the suitability of the Fund for investment purposes.

As of the date of this Supplement, the Company does not have any loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

### **1.3 Suitability of Investment**

You are advised to inform yourself as to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Shares.

The Shares are not principal protected. The value of the Shares may go up or down and you may not get back the amount you have invested. See the section entitled Risk Factors of the Prospectus and the section entitled Risk Factors of this Supplement for a discussion of certain risks that should be considered by you.

An investment in the Shares is only suitable for you if you are a sophisticated investor and (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from

such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

## **1.4 Distribution of this Supplement and Selling Restrictions**

Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus and is not authorised in any jurisdiction after publication of the audited annual report of the Company unless a copy of the then latest annual report and, if distributed after the semi-annual report has been produced, a copy of the then latest published semi-annual report and unaudited accounts is made available in conjunction with the Prospectus and this Supplement. The distribution of this Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. If you receive a copy of this Supplement and/or the Prospectus you may not treat such document(s) as constituting an offer, invitation or solicitation to you to subscribe for any Shares unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without compliance with any registration or other legal requirement other than those with which the Company has already complied. If you wish to apply for the opportunity to purchase any Shares it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile.

## **2 INVESTMENT OBJECTIVE AND POLICIES**

### **2.1 Investment Objective**

The Fund's investment objective is to replicate the price and the performance, before fees and expenses, of an index that provides exposure to companies involved in the bionic implants industry including medical, dental, or vision-related implants, bioprinting, prosthesis, preservation of organs and tissue, and/or medical robotics.

### **2.2 Investment Policy**

In order to seek to achieve its investment objective, the Manager will normally use a replication strategy by investing directly in the underlying equity securities of the MVIS® Global Bionic Healthcare ESG Index (the "Index") being stock, American depository receipts (ADRs), and global depository receipts (GDRs) that consists of the component securities of the Index. Such equity securities which form part of the Index are required to be issued by companies who generate at least 50% (25% for current components) of their revenues from medical, dental or vision-related implants, bioprinting, prosthesis, preservation of organs and tissue, and/or medical robotics. This does not include companies involved in implantable or wearable devices or materials used only for cosmetic purposes. Such equity securities must be listed or traded on the Markets referred to in Appendix II of the Prospectus.

The Fund may not invest in companies that violate certain ESG criteria including companies which (i) have committed very severe norms violations, (ii) have greater than 0% revenue exposure to controversial weapons, or (ii) exceed certain thresholds of revenue exposure to various sectors including but not limited to tobacco, gambling, military equipment and services and energy extractives. Information on the thresholds of revenue and the full list of sectors is contained in the Index methodology guide which is available on the Index Provider's website.

As outlined in the Index methodology, which is available on the Index Providers website, norm's-based violations of a particular activity are measured by reference to the Case Severity Indicator. The Case Severity Indicator is a measure of the reported risk or impact on society or the environment and takes into account the degree of corporate involvement concerning various norms such as human rights, labour rights, environmental risk and bribery. The determination of value is guided by a systematic

evaluation of key factors, such as credibility of information, status of practice and impact, problematic strategy/policy, recurrence, and scope of impact.

The Fund will seek the prior approval of the Central Bank should the Fund seek to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. In exceptional market circumstances, such as, but not limited to, a material price movement impacting the weighting of an underlying equity security of the Index or disruptive market conditions or extremely volatile markets, an underlying equity security of the Index which is held by the Fund may exceed the regulatory limits intra rebalancing dates which would result in the Fund seeking to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. Where it is not practical or cost efficient for the Fund to fully replicate the Index, the Manager may utilise an optimised sampling methodology and further detail in respect of this approach is set out in the section entitled Investment Approach below.

The Fund may invest up to 15% of its Net Asset Value directly in shares issued by companies listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange. For the avoidance of doubt, the Fund may invest in China B shares and China H shares. China B shares are issued by issuers incorporated in China, which trade on the Shanghai and Shenzhen exchanges and are quoted in foreign currencies (such as USD) and are open to foreign investors. China H shares are issued by issuers which are incorporated in China and trade on the Hong Kong stock exchange. The Fund may invest more than 20% of its Net Asset Value in emerging markets.

**The Fund may also (or alternatively) invest in financial derivative instruments (FDIs) which relate to the Index or constituents of the Index.** The FDIs which the Fund may use are futures, options (puts and calls), swaps (including equity swaps and swaps on the Index), currency forwards and non-deliverable forwards (a forward contract that does not require settlement on maturity) (NDFs). Futures and options may be used in order to equitise (use) cash balances pending investment of subscription proceeds or other cash balances held by the Fund to seek to reduce tracking error. Currency forwards and NDFs may be used to hedge currency exposures. The Fund may use FDIs as an alternative to direct investment in the constituents of the Index in order to avail of the related cost or liquidity advantages of FDIs which may, in certain circumstances, be available over the direct investment in the constituents of the Index. The Fund may also use American depository receipts (ADRs) or global depository receipts (GDRs) to gain exposure to equity securities instead of using physical securities in circumstances where, due to local restrictions or quota limitations, it is not possible to hold these directly or where it is otherwise advantageous to the Fund to do so.

The Fund may also invest in ancillary liquid assets and money market instruments which may include bank deposits, depository receipts, certificates of deposit, fixed or floating rate instruments (treasury bills), commercial paper, floating rate notes and freely transferable promissory notes. The ancillary liquid assets, money market instruments and FDI (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus. Investment in ancillary liquid assets and money market instruments may be utilised in a variety of circumstances, including but not limited to, situations such as managing total exposure to cash and borrowing on a short-term basis and in anticipation of participation in a rights offering.

## **2.3 Efficient Portfolio Management**

Investors should note that the Fund may invest in FDIs for efficient portfolio management or hedging purposes only. The Fund may use futures, swaps and currency forwards for the purpose of reducing risk associated with currency exposures within the Fund. This may on occasion lead to an increase in the risk profile of the Fund or result in a fluctuation in the expected level of volatility. Please see the section entitled Risk Factors in the Prospectus in relation to such risks.

The Fund will employ the commitment approach to assess the Fund's global exposure and to ensure that the Fund's use of derivative instruments is within the limits specified by the Central Bank. Global exposure will be calculated daily. While the Fund may be leveraged through the use of the FDIs, any such leverage will not exceed 100% of the Fund's Net Asset Value.

Investment in FDIs is subject to the conditions and limits contained in the CBI UCITS Regulations. Subject to these limits, the Fund may invest in FDIs dealt on any of the regulated markets set out in the list of Markets in Appendix II to the Prospectus (and/or over the counter FDIs (OTCs)) which will be used for investment, efficient portfolio management and/or for hedging purposes.

The Company employs a risk management process which enables it to accurately measure, monitor and manage at any time the various risks associated with FDIs and their contribution to the overall risk profile of the portfolio of assets of the Fund. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments. The Fund will only invest in FDIs in accordance with the risk management policy prepared and submitted to the Central Bank in accordance with the Central Bank requirements.

The Fund may invest in FDIs dealt OTC provided that the counterparties to OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

Position exposure to the underlying assets of FDIs or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the CBI UCITS Regulations.

In addition, the Fund may enter into stocklending, repurchase and reverse repurchase agreements for efficient portfolio management purposes only subject to the conditions and the limits set out in the CBI UCITS Regulations. Investors are referred to the section entitled Use of Financial Derivative Instruments and Efficient Portfolio Management in the Prospectus.

## **2.4 Securities Financing Transactions**

While the Company may enter into securities financing transactions and repurchase agreements (SFTs) (as defined under Article 3 (11) of Regulation (EU) 2015/2365) (the SFTR), it is not anticipated that the Fund will enter into any SFTs. However, in the event that the Fund contemplates entering into such transactions, investors will be provided with further details of the structure and use of such transactions, together with any other information required to be disclosed to investors in accordance with Articles 13 and 14 of the SFTR. The Supplement will be updated accordingly in the event that the Fund will enter into any SFTs.

## **3 INVESTMENT APPROACH**

In order to seek to achieve its investment objective, the investment policy of the Fund is to use a replication strategy by investing directly in the underlying equity securities that consists of the component securities of the Index. The Fund will be 'passively' managed.

Where full replication is not possible, the Fund will invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities that generally replicate the Index. However, under various circumstances, it may not be practicable and possible to invest in such equity securities in proportion to their weightings in the Index. It is not expected that the Fund would invest in securities outside the Index under normal circumstances. In extraordinary circumstances the Fund may use such other techniques including, but not limited to, representative or "optimised" sampling to gain

access to stocks which provide economic characteristics similar to the security in the Index. There also may be instances, for example if one or more securities are suspended from trading or in situations where the Fund is forced to liquidate particular securities, in which the Manager may choose to overweight a security in the Index, purchase securities not in the Index which the Manager believes are appropriate to substitute for certain securities in the Index or utilise other investment techniques in seeking to replicate, before fees and expenses, the price and yield performance of the Index. The Fund may sell securities that are represented in the Index in anticipation of their removal from the Index or purchase securities not represented in the Index in anticipation of their addition to the Index.

Anticipated tracking error is based on the expected volatility of differences between the returns of the Fund and the returns of the Index. For a physically replicating ETF, one of the primary drivers of tracking error is the difference between the Fund's holdings and index constituents. Cash management, trading costs from rebalancing and withholding tax or stamp duty suffered by the Fund on any income received from its Investments can also have an impact on tracking error as well as the return differential between the ETF and the benchmark index. The impact can be either positive or negative depending on the underlying circumstances. The anticipated tracking error of the Fund is not a guide to its future performance. The annualised tracking error envisaged is not anticipated to exceed 0.20% under normal market conditions.

#### 4 INFORMATION ON THE INDEX

The Index is a global index that tracks the performance of companies with at least 50% (25% for current components) of their revenues from the following: Medical, dental or vision-related implants, bioprinting, prosthesis, preservation of organs and tissue, and/or medical robotics. The index does not include companies involved in implantable or wearable devices or materials used only for cosmetic purposes.

The Index considers ESG factors, as described below and further detailed in the Index methodology available on the Index Providers website. The Index Provider utilizes ESG data provided by Institutional Shareholder Services group of companies (ISS). ISS provides the Index Provider with high-quality data, analytics and insight, including country ESG research and ratings enabling the Index Provider to identify material social and environmental risks and opportunities. In particular, data standards used by the Index Provider are:

- Data Input: MarketVector Indexes sources ESG data externally from ISS. Where data is not available, best efforts is made to model required data.
- Verification and quality of data: The provider of ESG-related data input is selected by the Index Provider based on an assessment of its existing processes in order to ensure the reliability and representativeness of the ESG-related data. The data provider has established processes in accordance with accepted and established market standards that ensure the permanent quality and reliability of the ESG-data provided.
- Reference standards: ISS Norm-Based Research framework consists of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights and is embedded in the Sustainable Development Goals.

The Index does not consider companies that violate certain ESG criteria included in the following categories (binding criteria):

Norm-based research:

- Thematic areas: Union Rights, Workplace Discrimination, Bribery, Child Labour, Environmental Protection, Fundamental Human Rights, Forced Labour, Labour Standards, Money Laundering.

Companies with a Case Severity Indicator score of 'Very Severe' are not included in the portfolio. The 'Very Severe' value identifies instances where the company is reportedly causing/contributing to critical adverse impact.

The Case Severity Indicator is a measure of the reported risk or impact on society or the environment and takes into account the degree of corporate involvement. The other values which refer to severity are indicated in the Norm-based Research Methodology, as:

- "Severe": identifies instances where the company is reportedly causing/contributing significant adverse impact.
- "Moderate": identifies instances where the company is causing/contributing to adverse impact or linked to significant/critical adverse impact.
- "Potential": identifies instances where the impact and/or corporate involvement have not been clearly determined.

When companies are identified as involved in Gender Discrimination, Racial Discrimination and are listed on the AFL-CIO Boycott List (identified by "T"), are also not included in the portfolio.

- The overall Norm-based research score ("NBSOverallScore"), assigning a 1-10 rating score to an issuer based on the issuer's link with any violations of international standards. The Index Provider excludes from the investable universe the companies which are assessed with a score of 9 or 10. The overall Norm-based research Severity Indicator score ("NBSOverallSeverityScore"), which enables the inclusion in the portfolio of companies with a non 'Very Severe' score.

Controversial weapons, which takes into consideration the involvement in: Anti-personnel Mines, Biological Weapons, Chemical Weapons, Cluster Munitions, Depleted Uranium, Incendiary Weapons, Nuclear Weapons Outside NPT, Nuclear Weapons Inside NPT and White Phosphorus Weapons. These factors assign an overall Red, Amber, or Green flag to an issuer based on the issuer's involvement in the different categories of controversial weapons. Companies with a "Red" flag are excluded from the portfolio.

Civilian Firearms, which takes into consideration the involvement in: Ammunition, Assault Weapons, Automatic Firearms, High-Capacity Magazines, Any Tie and Repeating Firearms. When the Risk Flag, which indicates potential current or imminent involvement, is indicated as "Blank" or "Not Collected", the company is included in the portfolio.

Sector and energy extractives exposure, with consideration of Tobacco, Gambling, Energy Extractives (Thermal Coal Mining, Fossil Fuel, Oil Sands and Nuclear Power) and Military Equipment and Services. Only companies that derive not more than 5% of their revenues from the mentioned activities, can be included in the portfolio.

A company is considered to be ESG compliant if it satisfies the ESG screening criteria set forth by the Index Provider. Furthermore, the companies that are not covered by ISS or for which all relevant data fields are not collected by ISS may be eligible for inclusion. In these cases, the Index Provider will review the impact and will act on a best-efforts basis to ensure data coverage by performing qualitative data research through the review of relevant publicly available information of the respective company.

Companies are weighted in proportion to their free-float adjusted market capitalisation subject to a maximum security weight. The Index employs a capping scheme to ensure diversification by assigning weights to components which cannot exceed 10% at each rebalancing date. In the event that a weight is greater than the 10% cap on each rebalancing date, the excess is re-distributed equally among

uncapped components. This process is repeated until the aggregate weight of all components equals 100% and no components' weight exceeds 10%.

In addition, the Index incorporates a liquidity overlay with 750 million USD notional value.

The reviews for this index are based on the closing data on the last business day in February, May, August and November. If a company does not trade on the last business day in February, May, August or November, the last available price for such company will be used. The Index Provider has defined a "business day" to mean any day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in Frankfurt. The underlying index data (e.g. new number of shares, new free-float factors, and new weighting cap factors) is announced on the second Friday in a quarter-end month (i.e. March, June, September and December). The weighting cap factors are based on closing data of the Wednesday prior to the second Friday in a quarter-end month (i.e. March, June, September and December).

Changes to the Index, will be implemented and based on the closing prices of the third Friday of every quarter-end month (i.e. March, June, September and December). If the third Friday is not a business day, the review will take place on the last business day before the third Friday of such quarter-end month. If a company does not trade on the third Friday of a quarter-end month, then the last available price for such company will be used. Changes become effective on the next business day.

The target coverage of the Index is at least 90% of the free-float market capitalisation of the investable universe with at least 25 companies.

The following steps will be followed and form the Index review procedure:

1. All stocks in the investable universe are sorted in terms of free-float market capitalisation in descending order.
2. Stocks covering the top 85% of the free-float market capitalisation of the investable universe qualify for selection.
3. Existing components between the 85th and 98th percentiles also qualify for the Index.
4. If the coverage is still below 90% or the number of components in the Index is still below 25, the largest remaining stocks will be selected until coverage of at least 90% is reached and the number of stocks equals 25.
5. In case the number of eligible companies is below 25, additional companies are added by the Index Provider based on the next largest companies that fit the description of companies that meet the business activity, product, or service offering criteria and are closest to meeting the liquidity criteria as described above, until the number of stocks equals 25.

For all corporate events that result in a stock deletion from the Index, the deleted stock will be replaced with the highest ranked non-component on the most recent selection list immediately only if the number of components in the Index would drop below 20. The replacement stock will be added at the same weight as the deleted stock. Only in case the number of components drops below its minimum due to a merger of two or more index components, the replacement stock will be added with its uncapped free-float market capitalisation weight. In all other cases, i.e. there is no replacement, the additional weight resulting from the deletion will be redistributed proportionally across all other index constituents.

The Information on the Index contains a summary of the principal features of the Index and is not a complete description of the Index. In case of inconsistency between the Information on the Index

contained in this summary and the complete description of the Index which can be found on the Index Provider's website, the complete description of the Index prevails. Information on the Index appears on the website identified in the section entitled "Index Provider". Such information may change from time to time and details of the changes will appear on that website.

## 5 INDEX PROVIDER

The Index is published by MarketVector Indexes™ GmbH (the **Index Provider**), an affiliated company of the Manager. The Index Provider has contracted with Solactive AG to maintain and calculate the Index. The Index Provider does not sponsor, endorse, or promote the Fund and bears no liability with respect to the Fund or any security. The Index Provider will notify the Fund of material errors in the Index via the Index Provider's website. The Index Provider is an authorised benchmark administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation.

In accordance with Central Bank requirements, the Company is required to provide details of the Index Provider's website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company has no responsibility for the Index Provider's website and is not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof. Further information in relation to the Index may be found at the following link [https://marketvector.com/rulebooks/download/mv\\_equity\\_guide.pdf](https://marketvector.com/rulebooks/download/mv_equity_guide.pdf).

## 6 INVESTMENT RESTRICTIONS

The general investment restrictions as set out in the Prospectus shall apply. The Fund may not invest more than 10% of its Net Asset Value in open-ended collective investment schemes.

The Fund may not invest less than 51% of its Net Asset Value in equity securities which constitute "equity participation" within the meaning of section 2, Article 8 of the German Investment Tax Act (Investmentsteuergesetz). Equity participation in this context consists of shares in corporations traded or admitted for trading on a regulated market or multilateral trading facility (MTF) considered as such by the European Securities and Markets Authority (ESMA). The actual equity participation ratios of target investment funds can be taken into account.

There may be instances where the weighting of any constituent security of the Index could cause the Fund to breach the investment restrictions set out in the Prospectus. If such an event occurs, it is intended that the Fund will purchase other assets, the effect of which will seek to maintain, so far as is possible, the same economic exposure to and the same weighting of the security of that issuer in the Index without breaching its investment restrictions.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders.

## 7 BORROWING

The Fund may borrow money in an amount up to 10% of the market value of its net assets at any time for the account of any Fund and the Depositary may charge the assets of the Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Fund may acquire currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of the Regulations provided that the offsetting deposit is denominated in the Base Currency of the Fund and equals or exceeds the value of the foreign currency loan outstanding.



## 8 RISK FACTORS

The general risk factors as set out in the section entitled Risk Factors in the Prospectus apply.

Investors in the Fund should be willing to accept a high degree of volatility in the price of the Fund's Shares and the possibility of significant losses. An investment in the Fund involves a substantial degree of risk. Therefore, you are advised to consider carefully the following risks before investing in the Fund.

An investment in the Fund may be subject to risks which include, among others, material transaction cost from rebalancing activity and fluctuations in the value of securities held by the Fund due to market and economic conditions or factors relating to specific issuers.

The value of investments and the income from them, and therefore the value of and income from the Shares can go down as well as up and an investor may not get back the amount invested. The Fund's exposure is based on the performance of the Index securities which, in turn, is exposed to general market movements (negative as well as positive).

Certain additional risks may also be associated with the Fund, including, without limitation:

### 8.1 Risk of Investing in the Healthcare Industry

The health care sector includes companies that manufacture health care equipment and supplies or provide health care-related services, as well as those that are involved in the research, development, production and marketing of pharmaceuticals and biotechnology. In the event that the Companies in the healthcare sector may be affected by extensive government regulation, restrictions on government reimbursement for medical expenses, rising costs of medical products and services, pricing pressure, an increased emphasis on outpatient services, limited number of products, industry innovation, changes in technologies and other market developments. Many healthcare companies are heavily dependent on patent protection and are subject to extensive litigation based on product liability and similar claims. The expiration of patents may adversely affect the profitability of these companies. Health care companies are subject to competitive forces that may make it difficult to raise prices and, in fact, may result in price discounting. Many new products in the health care sector may be subject to regulatory approvals. The process of obtaining such approvals may be long and costly. Companies in the health care sector may be thinly capitalised and may be susceptible to product obsolescence.

### 8.2 Risk of Investing in Bionic Industry

The Fund invests primarily in the equity securities of companies whose business is focused on the healthcare and bionic innovation technology industry and, as such, is particularly sensitive to risks to those types of companies. These risks include, but are not limited to, small or limited markets for such securities, changes in business cycles, slowdowns in world economic growth and/or technological progress, rapid obsolescence, and government regulation. A bionic technology company's valuation can also be greatly affected if one of its products proves unsafe, ineffective, unprofitable or if such product is not approved by a regulatory governing body. The publicly traded securities of bionic technology focused companies can be more volatile than securities of companies that do not rely heavily on technology. The research and development and other costs associated with developing or procuring new products or technologies and the related intellectual property rights can be significant, and the results of such research and expenditures are unpredictable and may not necessarily lead to commercially successful products. Additionally, rapid developments in technologies that affect a company's products could have a material adverse effect on such company's operating results. Bionic healthcare technology companies may rely on a combination of patents, copyrights, trademarks and trade secret laws to establish and protect their proprietary rights in their products and technologies. The values of biotechnology companies are also dependent on the development, protection and exploitation

of intellectual property rights and other proprietary information, and the profitability of biotechnology companies may be affected significantly by such things as the expiration of patents or the loss of, or the inability to enforce, intellectual property rights. There can be no assurance that the steps taken by these companies to protect their proprietary rights will be adequate to prevent the misappropriation of their technology or that competitors will not independently develop technologies that are substantially equivalent or superior to such companies' technology.

### **8.3 Risk of Investing in Medical Robotics Companies**

Medical robotics companies are subject to stringent regulatory oversight by health authorities such as the FDA (U.S.), EMA (EU), and other national bodies. The medical robotics industry is highly innovative and rapidly evolving which may lead to risks sector specific risks including unsuccessful R&D and/or intellectual property disputes. Due to the high concentration of companies operating in the medical robotics sector, investments in medical robotics may lead to a concentration in a niche segment of the healthcare and technology sectors and commercial success of medical robotic systems will depend on, amongst other things, adoption by healthcare providers. This can increase the Fund's sensitivity to sector-specific events, such as regulatory changes, technological obsolescence, or shifts in healthcare policy. Many medical robotics firms may be small- to mid-cap companies with lower trading volumes. This can result in reduced liquidity, making it more difficult for the Fund to enter or exit positions without affecting market prices. Investors should note that delays in approvals, product recalls, or non-compliance with safety standards can materially impact medical robotics company valuations and, consequently, the Fund's performance.

### **8.4 Risk of Investing in Medical Industry**

The Fund will be sensitive to, and its performance may depend to a greater extent on, the overall condition of the medical industry. The medical industry can be impacted by government intervention, an increase in regulation and regulatory scrutiny. A medical company's valuation can often be based largely on the potential or actual performance of a limited number of products. A medical company's valuation can also be greatly affected if one of its products proves unsafe, ineffective, unprofitable or if such product is not approved by a regulatory governing body such as the European Medicines Agency or the US Food and Drug Administration. The stock prices of companies in the medical industry have been and will likely continue to be extremely volatile, particularly when their products are up for regulatory approval and/or under regulatory scrutiny. Companies operating in the medical industry may be significantly affected by changes in government regulations and spending, as well as economic conditions, industry consolidation and other disasters.

### **8.5 Risk of Investing in Medium-Capitalisation Companies**

Medium-capitalisation companies may be more volatile and more likely than large-capitalisation companies to have narrower product lines, fewer financial resources, less management depth and experience and less competitive strength. In addition, these companies often have greater price volatility, lower trading volume and less liquidity than larger, more established companies. Returns on investments in securities of medium capitalisation companies could trail the returns on investments in securities of large-capitalisation companies.

### **8.6 Risk of Investing in Small- and Medium-Capitalisation Companies**

The securities of small- and medium-capitalisation companies may be more volatile and less liquid than the securities of large companies. As securities of small- and medium-capitalisation companies may experience more market price volatility than securities of larger companies, the net asset value of any fund which invests in small- and medium-capitalisation companies (such as the Fund) may reflect this volatility. Small- and medium-capitalisation companies, when compared with larger companies, may

have a shorter history of operations, fewer financial resources, less competitive strength, may have a less diversified product line, may be more susceptible to market pressure and may have a smaller market for their securities. Investment in small- and medium-capitalisation companies may involve comparatively higher investment costs and accordingly investment in the Fund should be viewed as a long term investment. The Fund may however dispose of an investment made by it within a relatively short period of time, for example, to meet requests for redemption of Shares.

## **8.7 Emerging Markets Risk**

Investments in securities of emerging market issuers are exposed to a number of risks that may make these investments volatile in price or difficult to trade. Emerging markets are more likely than developed markets to experience problems with the clearing and settling of trades, as well as the holding of securities by local banks, agents and depositories. Political risks may include unstable governments, nationalisation, restrictions on foreign ownership, laws that prevent investors from getting their money out of a country and legal systems that do not protect property rights as well as the laws in developed countries. Market risks may also include economies that concentrate in only a few industries, securities issues that are held by only a few investors, liquidity issues and limited trading capacity in local exchanges and the possibility that markets or issues may be manipulated by foreign nationals who have inside information. The frequency, availability and quality of financial information about investments in emerging markets varies. The Fund has limited rights and few practical remedies in emerging markets and the ability of authorities in developed countries to bring enforcement actions in emerging markets may be limited, and the Fund's passive investment approach does not take account of these risks. All of these factors can make emerging market securities more volatile and potentially less liquid than securities issued in more developed markets.

## **8.8 Special Risk Considerations of Investing in Chinese Issuers**

Investments in securities of Chinese issuers, including issuers located outside of China that generate significant revenues from China, involve risks and special considerations not typically associated with investments in the securities markets of developed countries. These risks, include, among others, (i) more frequent (and potentially widespread) trading suspensions and government interventions with respect to Chinese issuers resulting in lack of liquidity and in price volatility, (ii) currency revaluations and other currency exchange rate fluctuations or blockage, (iii) the nature and extent of intervention by the Chinese government in the Chinese securities markets, whether such intervention will continue and the impact of such intervention or its discontinuation, (iv) the risk of nationalisation or expropriation of assets, (v) the risk that the Chinese government may decide not to continue to support economic reform programs, (vi) limitations on the use of brokers, (vii) higher rates of inflation, (viii) greater political, economic and social uncertainty, (ix) market volatility caused by any potential regional or territorial conflicts or natural disasters and (x) the risk of increased trade tariffs, embargoes, sanctions, investment restrictions and other trade limitations. Certain securities are, or may in future become restricted, and the Fund may be forced to sell such restricted securities and incur a loss as a result. In addition, the economy of China differs, often unfavourably, from the global developed economy in such respects as structure, general development, government involvement, wealth distribution, rate of inflation, growth rate, interest rates, allocation of resources and capital reinvestment, among others. The Chinese central government has historically exercised substantial control over virtually every sector of the Chinese economy through administrative regulation and/or state ownership and actions of the Chinese central and local government authorities continue to have a substantial effect on economic conditions in China. In addition, previously the Chinese government has from time to time taken actions that influence the prices at which certain goods may be sold, encourage companies to invest or concentrate in particular industries, induce mergers between companies in certain industries and induce private companies to publicly offer their securities to increase or continue the rate of economic growth, control the rate of

inflation or otherwise regulate economic expansion. The Chinese government may do so in the future as well, potentially having a significant adverse effect on economic conditions in China.

Investors should note that certain auditing and accounting practices within the People's Republic of China may not be of a similar standard to those which would be expected in a more developed economy and may therefore impact the quality of information provided to third parties seeking to invest in Chinese domiciled companies. In recent years, certain auditing practices have resulted in an inability of entities (such as the US Public Company Accounting Oversight Board) to inspect audit work papers in China which may give rise to concerns regarding the ability to promote and enforce disclosure standards which would be expected of developed market companies and the availability of reliable financial information on which to base investment decisions. Ineffective or otherwise inadequate internal and external audit functions may increase the likelihood that fraud and other issues within a company are not detected and/or that material information used as part of a company's valuation and/or the Manager's investment decision making is inaccurate. Investors should note that the Fund's rights to seek redress may, as a matter of law or practicality, be limited and the rights of the Fund as an investor in a Chinese company may be limited.

### **8.9 Special Risk Considerations of Investing in Asian Issuers**

The Fund may invest in securities issued by Asian issuers and, accordingly, may be subject to the risk of investing in such issuers. Investment in securities of issuers in Asia involves risks and special considerations not typically associated with investment in the securities markets of developed countries. Certain Asian economies have experienced over-extension of credit, currency devaluations and restrictions, high unemployment, high inflation, decreased exports and economic recessions. Economic events in any one Asian country can have a significant effect on the entire Asian region as well as on major trading partners outside Asia, and any adverse effect on some or all of the Asian countries and regions in which the Fund invests. The securities markets in some Asian economies are relatively underdeveloped and may subject the Fund to higher action costs or greater uncertainty than investments in more developed securities markets. Such risks may adversely affect the value of the Fund's investments.

### **8.10 Foreign Currency Risk**

In the event that the Fund's assets are invested in securities denominated in currencies other than the Base Currency, all or a portion of the proceeds received by the Fund from its investments and/or the revenues received from such underlying issuer will generally not be in the Base Currency. The Fund's exposure to foreign currencies and changes in the value of foreign currencies versus the Base Currency may result in reduced returns for the Fund. Moreover, the Fund may incur costs in connection with conversions between the Base Currency and foreign currencies.

The value of an emerging market country's currency may be subject to a high degree of fluctuation. This fluctuation may be due to changes in interest rates, investors' expectations concerning inflation and interest rates, the emerging market country's debt levels and trade deficit, the effects of monetary policies issued by foreign governments, central banks or supranational entities, the imposition of currency controls or other national or global political or economic developments. The economies of certain emerging market countries can be significantly affected by currency devaluations. Certain emerging market countries may also have managed currencies which are maintained at artificial levels relative to the Base Currency rather than at levels determined by the market. This type of system could lead to sudden and large adjustments in the currency, which in turn, can have a negative effect on the Fund and its investments.

### **8.11 Equity Securities Risk**

The value of the equity securities held by the Fund may fall due to general market and economic conditions, perceptions regarding the markets in which the issuers of securities held by the Fund participate, or factors relating to specific issuers in which the Fund invests. For example, an adverse event, such as an unfavourable earnings report, may result in a decline in the value of equity securities of an issuer held by the Fund; the price of the equity securities of an issuer may be particularly sensitive to general movements in the securities markets; or a drop in the securities markets may depress the price of most or all of the equities securities held by the Fund. Equity securities are subordinated to preferred securities and debt in a company's capital structure with respect to priority in right to a share of corporate income, and therefore will be subject to greater dividend risk than preferred securities or debt instruments. In addition, while broad market measures of equity securities have historically generated higher average returns than fixed income securities, equity securities have also experienced significantly more volatility in those returns. A change in the financial condition, market perception or the credit rating of an issuer of securities included in the Fund's index may cause the value of its securities to decline.

#### **8.12 Concentration Risk**

The Fund's assets may be concentrated in a particular sector or sectors or industry or group of industries to the extent the Index concentrates in a particular sector or sectors or industry or group of industries. Accordingly, the Fund may be subject to the risk that economic, political or other conditions that have a negative effect on a particular industry or sector will negatively impact the Fund to a greater extent than if the Fund's assets were invested in a wider variety of sectors or industries.

The Fund may be particularly vulnerable to this risk because the Index is comprised of securities of a very limited number of issuers. The Fund's assets may be concentrated in a small number of stocks and/or may be concentrated in particular sectors which may subject the Fund to more risk than investments in a diverse group of companies and sectors.

#### **8.13 Risk of Issuer-Specific Changes**

The value of individual securities or particular types of securities in the Fund's portfolio can be more volatile than the market as a whole and can perform differently from the value of the market as a whole, which may have a greater impact if the Fund's portfolio is concentrated in a country, group of countries, region, market or asset class. The value of securities of smaller issuers can be more volatile than that of larger issuers. A change in the financial condition, market perception or the credit rating of an issuer of securities included in the Index may cause the value of its securities to decline.

#### **8.14 Liquidity Risk**

The Company provides daily liquidity. Under normal circumstances, all positions can be sold within a very short period of time without realising significant losses. However, unforeseen circumstances can give rise to abnormal conditions which could cause the Company to face liquidity risk. It could be unable to sell its positions as a result. The degree to which the securities in which the Fund invests can be traded affects the level of the actual buy and sell prices. This could mean that securities cannot be sold or can only be sold at a substantially lower price than the valuation assigned and the Fund may be unable to free up adequate funds to satisfy its purchase obligations. The bid/ask prices can deviate from the asset value of the share in the Fund, as a result of which the performance may deviate from that of the underlying Index or Indices, certainly in the event of limited liquidity on the market. To limit this risk, investments are only made in listed securities. In exceptional circumstances, if the purchase of shares in the Company is suspended for instance, there could be a risk that the investor may be unable to sell their investment at the desired moment or for a reasonable price. Given the open-ended character of the Company, it could be confronted with a high number of exits which would mean investments would have to be liquidated under potentially unfavourable conditions. This would

negatively impact the value of the share. As described in this Prospectus, the purchase of shares may be (temporarily) suspended under certain circumstances.

## **9 DIVIDEND POLICY**

It is not proposed that the Directors will declare a dividend in respect of the Fund. Full details of any change to the Fund's dividend policy will be provided in an updated Supplement and all Shareholders will be notified in advance.

## 10 KEY INFORMATION FOR PURCHASING AND SELLING

|                         |   |
|-------------------------|---|
| <b>Base Currency</b>    | US Dollar (USD)   |
| <b>Business Day</b>     | means every day other than a Saturday or Sunday (or such other day(s) as the Directors may from time to time determine and notify in advance to Shareholders).  |
| <b>Dealing Day</b>      | In general, each Business Day will be a Dealing Day. However, certain Business Days will not be Dealing Days where, in the sole determination of the Manager: (i) markets on which the Fund's investments are listed or traded, or markets relevant to the Index are closed, and/or (ii) there is a public holiday in the jurisdiction in which the Manager or its delegate(s), if applicable, is or are based; provided there is at least one Dealing Day per fortnight. The Dealing Days for the Fund are available at <a href="http://www.vaneck.com">www.vaneck.com</a> . |
| <b>Dealing Deadline</b> | 4:00 p.m. (Irish time) on the Business Day prior to the relevant Dealing Day.   |
| <b>Settlement Date</b>  | In the case of subscription(s), within 2 Business Days of the relevant Dealing Day.<br><br>In the case of repurchases, within 3 Business Days of the relevant Dealing Day.  |
| <b>Valuation Point</b>  | 11:00 p.m. (Irish time) on the relevant Dealing Day.  |
| <b>Website</b>          | Information on portfolio composition and details of intra-day portfolio value ( <b>iNAV</b> ) are set out on the website - <a href="http://www.vaneck.com">www.vaneck.com</a>   |

### Description of the Shares

|                             |   |
|-----------------------------|---|
| <b>Share Class</b>          | A   |
| <b>ISIN</b>                 | IE0005TF96I9  |
| <b>Initial Offer Period</b> | The Initial Offer Period shall commence at 9:00 a.m. (Irish time) 21 October 2022 and close at 5.00 p.m. (Irish time) on 20 April 2023 as may be shortened or extended by the Directors and notified to the Central Bank. |
| <b>Initial Price</b>        | Approximately USD 20, plus an appropriate provision for Duties and Charges, or such other amount as determined by the Manager and communicated to investors prior to investment.  |
| <b>Creation Unit</b>        | 50,000 Shares or such other amount as may be determined by the Directors at their discretion.   |

|                                     |   |
|-------------------------------------|---|
| <b>Minimum Initial Subscription</b> | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Initial Subscription. |
| <b>Minimum Holding</b>              | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Holding.              |

## 11 CHARGES AND EXPENSES

The following fees and expenses will be incurred by the Company on behalf of the Fund and will affect the Net Asset Value of the relevant Class of Share of the Fund:

|                    |   |
|--------------------|---|
| <b>Share Class</b> | A   |
| <b>Total Fee</b>   | Up to 0.55% per annum or such lower amount as may be advised to Shareholders from time to time. |

The Total Fee, a percentage of the Net Asset Value of the relevant Class of Shares (plus VAT, if any), is payable by the Company out of the Fund Assets to the Manager. The Total Fee will accrue on each day and will be calculated on each Dealing Day and paid monthly in arrears. The Total Fee will cover all of the ordinary fees, operating costs and expenses payable by the Fund including fees and expenses paid to the Manager, all ordinary costs and expenses connected with the management and operating activities of the Fund, including investment management and advisory fees, Director's fees, registration, transfer agency, administration and custody fees, registrar fees, regulators and auditors and certain legal expenses of the Company. The Total Fee does not include extraordinary costs and expenses (including but not limited to transaction charges, stamp duty or other taxes on the investments of the Company including duty charges for portfolio re-balancing, withholding taxes, commissions and brokerage fees incurred with respect to the Company's investments, interest on any non-overdraft credit facility and charges incurred in negotiating, effecting or varying the terms of such facility, any commissions charged by intermediaries in relation to an investment in the Fund and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the Company all of which will be paid separately out of the assets of the Fund). The cost of establishing the Fund will be borne by the Manager.

This section entitled Charges and Expenses should be read in conjunction with the sections entitled General Charges and Expenses and Management Charges and Expenses in the Prospectus.

## 12 REGISTRATION FOR PUBLIC DISTRIBUTION AND LISTING

Application is expected to be made to register the Fund for public distribution in various countries.

Application will be made to list the Shares on Euronext and other stock exchanges. Through the operation of such a secondary market, persons who are not Authorised Participants or not able or willing to subscribe for and redeem Creation Units will be able to buy Shares from or sell Shares to other retail investors or market makers, broker/dealers, or other Authorised Participants at prices which should approximate, after currency conversion, the Net Asset Value of the Shares.

## 13 HOW TO BUY AND SELL SHARES



Investors can buy and sell Shares on the secondary market as described above in accordance with the procedures set out in the section entitled Secondary Market in the Prospectus.

Investors can otherwise subscribe for or redeem Creation Units in accordance with the procedures set out in the Prospectus.

## **14 SUSTAINABLE FINANCE DISCLOSURE**

The Manager has categorised the Fund as meeting the provisions set out in Article 9(1) of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector ("SFDR") for products which have sustainable investment as their objective and where an index has been designated as a reference benchmark, as further described in Annex I of this Supplement.

### **14.1 Sustainable Investment Objective**

This Fund has a sustainable investment objective which contributes to a social objective, namely the development of bionic healthcare technologies and thereby improving quality of human health. The bionic implants industry targets the development of medical, dental, or vision-related implants, bioprinting, prosthesis, preservation of organs and tissue, and / or medical robotics.

The Fund has a passive investment policy whereby the Fund aims to follow the Index as closely as possible. The Index differs from a generic broad market index by considering companies with at least 50% (25% for current components) of their revenues from the following: medical, dental or vision-related implants, bioprinting, prosthesis, or preservation of organs and tissue, and / or medical robotics. The Index does not include companies involved in implantable or wearable devices or materials used only for cosmetic purposes.

In addition, the Index differs from a generic broad market index as certain screenings are applied in the Index construction to ensure that the companies do not significantly harm any other environmental or social sustainable investment objective. By means of ISS data companies are screened for activities which may negatively affect sustainability factors. The screenings consist of various components:

- Norms-Based Research whereby companies are screened for very severe violations of international standards concerning various norms such as human rights, labour rights, environmental risk and bribery. ISS Norm-Based Research framework consists of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights and is embedded in the Sustainable Development Goals.
- Involvement in controversial weapons.
- Involvement in civilian firearms.
- Involvement in controversial sectors if 5% revenue or more derived from activities in the tobacco industry, thermal coal mining, gambling, oil sands, military equipment and services and nuclear power.

### **14.2 Sustainability Risks**

Sustainability risk is the risk that the value of an investment will decline as a result of an environmental, social or governance (ESG) event or circumstance. Ecological events include climate change, scarcity of natural resources and pollution. Social events may include labour issues and product liability. Governance can include themes such as shareholder rights, business ethics, diversity and executive remuneration. Sustainability risks can arise in all kinds of forms. With regard to the theme of climate, for example, there is a distinction between transition risks and physical risks, whereby transition risks

can be divided into legal and regulatory risks, technological risks, market risks and reputation risks. In addition, the impact of sustainability risk has various scopes, including company-specific, sector-specific and on country level. The occurrence of a sustainability risk results in other (financial) risks manifesting. This can negatively affect the value of the investment.

Concrete examples of sustainability risks for the Fund are: a company has an overly generous remuneration policy or a remuneration policy that is inconsistent with the interests of the shareholders. Also, a company's reputation can deteriorate as a result of negative publicity about effectiveness of certain bionic health treatments as well as side-effects from materials used in their production, that can cause the value of its stock to decline. While the expected impact of sustainability risks on the return depends on the type of sustainability risk that materializes, the Manager has determined that sustainability risk may have an impact on the performance of the Fund. For developed and emerging markets equity portfolios, this expected impact is generally viewed as significant.

### **14.3 Sustainability Risk Integration Features**

The Fund has a passive investment policy whereby the Fund aims to follow the index as closely as possible. The relevant Index consists primarily of companies that generate a substantial part of their revenues from medical, dental or vision-related implants, bioprinting, prosthesis, preservation of organs and tissue, and / or medical robotics. In paragraph 14.1 the selection criteria and screenings performed for the index construction are described. These measures reduce the sustainability risk considerably.

In addition to the determination of the investment universe and the exclusions applied to the Fund, the Manager integrates sustainability risks by means of the following measure:

#### **Exclusions**

Exclusions apply to this Sub-Fund as further outlined in section 2.2 and 14.1 of this Supplement as well as section 10 of the Prospectus.

#### **Voting**

The Manager can exercise his voting rights at shareholders' meetings, according to the Proxy Voting Policy. To assist in its responsibility for voting proxies and the overall voting process, the Manager has engaged an independent third party proxy voting specialist, Glass Lewis Europe Limited, which takes also Environmental, Social and Governance factors into account when casting votes.

In particular, the Glass Lewis ESG voting policy is applied:

- On the Environmental side, within others, measures in favour of increased disclosure of a company's environmental risk through company-specific disclosure as well as compliance with international environmental conventions and adherence to environmental principles will be supported. Similarly, the ESG Policy will support proposals requesting companies develop greenhouse gas emissions reduction goals, comprehensive recycling. The ESG Policy will evaluate a company's impact on the environment, in addition to the regulatory risk a company may face by not adopting environmentally responsible policies. Further, the ESG Policy will consider voting against directors for not appropriately overseeing environmental risk.
- On the Social side, the ESG Policy will support several proposals, including but not limited to requesting that a company develop sustainable business practices, such as animal welfare policies, human rights policies, and fair lending policies. Furthermore, the ESG Policy will also generally support enhancing the rights of workers, as well as considering the communities and broader constituents in the areas in which companies do business.

- On the Governance side, the ESG Policy supports, within other aspects, increased shareholder participation and access to a company and its board of directors. Accordingly, the ESG Policy will vote in favour of initiatives that seek to enhance shareholder rights, such as the introduction of majority voting to elect directors, the adoption and amendment of proxy access bylaws, the elimination/reduction of supermajority provisions, the declassification of the board, the submission of shareholder rights' plans to a shareholder vote, and the principle of one share, one vote.

## **Engagement**

The Manager appointed a third-party engagement specialist, Glass Lewis Europe Limited, for the passive equity funds managed by VanEck Asset Management B.V. The engagement provider determines the engagement approach in accordance with its engagement policy and based on its engagements' priorities.

## **15 OTHER INFORMATION**

New Funds may be created from time to time by the Directors with the prior approval of the Central Bank in which case further Supplements incorporating provisions relating to those Funds will be issued by the Company.

The names of the Funds currently approved by the Central Bank are listed in the Global Addendum.

## **SCHEDULE 1**

### **DISCLAIMER**

The Index is the exclusive property of MarketVector Indexes GmbH (MarketVector), a wholly owned subsidiary of the Manager, which has contracted with Solactive AG to maintain and calculate the Index. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards MarketVector, Solactive AG has no obligation to point out errors in the Index to third parties. The Fund is not sponsored, endorsed, sold or promoted by MarketVector and MarketVector makes no representation regarding the advisability of investing in the Fund. The Index is calculated weekdays between 01:00 and 22:40 (CET) and the Index values are disseminated to data vendors every 15 seconds on days when the US equity market is open for trading. The Index is disseminated in USD.

In accordance with Central Bank requirements, the Company and the Fund are required to provide details of the Index Provider's website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company and the Fund have no responsibility for the Index Provider's website and are not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof.

The indicative optimised portfolio value/intra-day portfolio value is calculated by S&P Global Ltd.



## ANNEX I

Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: VanEck Medical Robotics and Bionic Engineering UCITS ETF

Legal entity identifier: 254900QPAYF1L0Z4C422

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Sustainable investment objective

### Does this financial product have a sustainable investment objective?

☒ ☐ ☒ **Yes**

☐ It will make a minimum of **sustainable investments with an environmental objective: \_\_\_%**

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ It will make a minimum of **sustainable investments with a social objective: 100%**

☐ ☐ ☐ **No**

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_% of sustainable investments

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



### What is the sustainable investment objective of this financial product?

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

This Fund aims at enhancing and developing products that increase the quality of life by providing goods and services vital to preservation, correction and augmentation of human body functions, thereby contributing to social objectives aligned with the SDG goal #3 "Good Health and Well-being".

Therefore, the Fund aims at investing in companies which were determined by the Index Provider to generate a significant (>50%, >25% for current components) part of their revenues from medical implants, prosthesis, bioprinting, preservation of organs and tissues, and/or medical robotics..

A reference benchmark has been designated for the purpose of attaining the sustainable investment objective.

Compared to a non-ESG fund with similar exposure, this Fund applies mandatory Environmental and Social factors and limits. These are corresponding to the Principle Adverse Impacts specified below.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

● **What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?**

The Fund measures the following sustainability indicators:

| Indicator  |
|--|
| The weighted percentage of investee companies' revenues derived from medical implants, prosthesis, or bioprinting and preservation of organs and tissues.  |
| The percentage of portfolio involved in violations of UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights. The target is 0% at rebalancing. |
| The percentage of portfolio involved in the fossil fuels industry, which cannot be higher than 5% at rebalancing.  |
| The percentage of portfolio involved in non-renewable energy production.   |

● **How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**

Screenings are applied in the index construction to ensure that the companies do not significantly harm any other environmental or social sustainable investment objective. The screenings consist of various components:

- Controversial sector involvement whereby companies are screened for involvement in:
  - Controversial weapons: a 0% involvement threshold is applied for production of controversial weapons or supply of critical components for them.
  - Civilian firearms: a 0% involvement threshold is applied.
  - Tobacco, thermal coal, fossil fuels, oil sands, nuclear Power, civilian firearms, military equipment and services and gambling: a 5% revenue threshold is applied.
- Norm-Based Research whereby companies are screened for violations of international standards concerning various norms such as human rights, labor rights, environmental risk and bribery.

Companies for which there is no data available on one or more screening components do not constitute a violation of environmental or social objectives on that specific screening component. Companies that are not covered by the ESG data provider or for which all relevant data fields are not collected by the ESG data provider may be eligible for inclusion.

— **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The Fund considers the following principal adverse impacts on sustainability factors:

1. Greenhouse Gas (GHG Emissions):
  - Part of Norm-based research on environmental protection "Failure to mitigate climate change impacts"
  - Fossil Fuel/Coal - Total Maximum Percentage of Revenues is 5%: This factor provides the maximum percentage of recent-year revenues for the issuer's total involvement in coal/fossil fuel, including any exposure in Production, Exploration, Distribution, and Services.
  - Companies that are eligible for the index inclusion under sub-theme F, must display a positive environmental impact by having at least one score larger than zero, and the other score at least zero, related to the Contribution and Achievement of Sustainable Agriculture and Forestry or Agriculture Climate Change Contribution.
2. Biodiversity

- Part of Norm-based research on environmental protection "Failure to prevent depletion of biodiversity" and "Failure to prevent deforestation / illegal logging"
- 3. Water
  - Part of Norm-based research on environmental protection "Failure to prevent depletion of biodiversity", "Failure to prevent water pollution" and "Failure to prevent oil spill"
- 4. Waste
  - Part of Norm-based research on environmental protection "Poor waste management", "Poor nuclear safety", "Failure to prevent pollution" and "Failure to mitigate the production / distribution of hazardous substances"
- 5. Social and employee, respect for human rights, anti-corruption and anti-bribery matters
  - Norm-based screening covers controversial practices that have adverse impacts on society and the environment in line with established expectations for Responsible Business Conduct as set forth in the core normative framework consisting of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights, all of which are embedded in the Sustainable Development Goals.
  - Part of Norm-based research on Human Rights, including "Failure to conduct human rights due diligence" and "Failure to provide equal pay for work of equal value"
  - Controversial weapons screenings are performed whereby companies with a RED exposure score in anti-personnel mines, biological and chemical weapons, cluster munitions, depleted uranium, incendiary weapons, white phosphorus and nuclear weapons are excluded from the index.

A description on how the Fund has considered Principal Adverse Impacts on sustainability factors in the preceding year is included in the Fund's annual report.

— — — *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Norm-based research is conducted whereby companies are screened for violations of international standards concerning various norms such as human rights, labor rights, environmental risk and bribery. Norm-based Research framework consists of research on the level of adherence of a company to the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights and is embedded in the Sustainable Development Goals.

Violations of these standards are measured by reference to the Case Severity Indicator. The Case Severity Indicator is a measure of the reported risk or impact on society or the environment and takes into account the degree of corporate involvement. The values which refer to severity are indicated in the Normed-based Research Methodology as "Very Severe", "Severe", "Moderate" and "Potential". The "Very Severe" value identifies instances where the company is reportedly causing/contributing to critical adverse impact and is excluded from the Index.

Furthermore, the overall Norm-based research Score ("NBOverallScore") assigns a 1-10 rating score to an issuer based on the issuer's link with any violations of international standards. The Index Provider excludes from the investable universe the companies which are assessed with a score of 9 or 10, equivalent to verified or imminent failure to respect established norms.





## Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes

☐ No

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

By means of Norm-based research and Controversial sector involvement screenings, the Fund takes the principal adverse impacts on sustainability factors relating to greenhouse gas emissions, biodiversity, water, waste, social and employee, respect for human rights, anti-corruption and anti-bribery matters into account.

For detailed information, please refer to the questions *"How have the indicators for adverse impacts on sustainability factors been taken into account?"* and *"How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?"*

Additionally, principal adverse impacts are considered as part of the Glass Lewis ESG policy guidelines, whereby casted votes regard the environment, energy efficiency, the use of renewable energy sources, enhancing the rights of workers, violation of international human rights standards, gender pay inequity and board diversity.



## What investment strategy does this financial product follow?

The Fund's investment objective is to replicate, before fees and expenses, the price and yield performance of the MVIS Global Bionic Healthcare ESG Index. The Fund seeks to invest in companies generating revenues from the medical, dental or vision-related implants, bioprinting, prosthesis, or preservation of organs and tissue. This does not include companies involved in implantable or wearable devices or materials used only for cosmetic purposes. In addition, the ESG-tilted voting policy is applied, whereby casted votes in shareholder meetings of companies in the portfolio concern sustainability matters.

### What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

The Fund's investments must comply with the following binding elements:

1. Companies must generate at least 50% (25% for current components) of their revenues from the following: Medical, dental or vision-related implants, bioprinting, prosthesis, or preservation of organs and tissue and be listed or traded on the Eligible Markets. This does not include companies involved in implantable or wearable devices or materials used only for cosmetic purposes.
2. Companies must comply with the criteria defined for Norm-based research and Controversial sector involvement screenings to ensure that the companies in the portfolio do no significant harm to other sustainability related objectives. The exact thresholds are described under *"How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?"* and the two subsequent questions.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

### What is the policy to assess good governance practices of the investee companies?

Good governance relates to sound management structures, employee relations, remuneration of staff and tax compliance. The Fund excludes companies when ISS rating

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



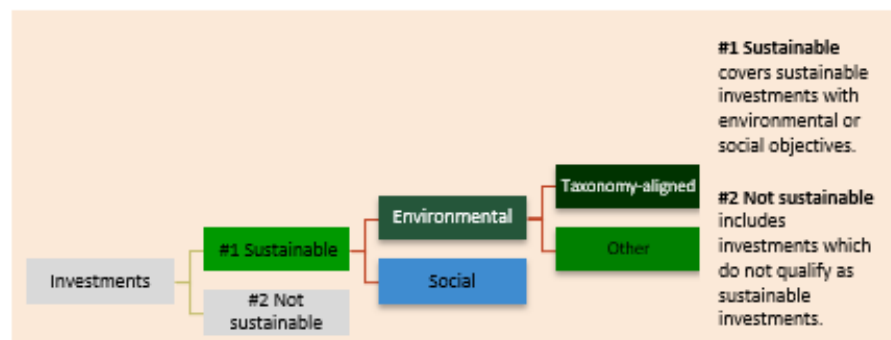
shows the verifiably violated or imminent to violate the OECD Guidelines for multinational enterprises and the UN Guiding Principles on Business and Human Rights.

Assessment is performed at any rebalancing of the underlying Index, excluding companies with a score of 9 or 10, according to the Norm-based research overall score approach.

In addition, the Fund also excludes companies with severe and very severe controversy ratings. The rating takes into account, among others, Accounting Fraud, Anti-competitive Behaviour, Bribery, Money Laundering, Failure to manage cybersecurity, Failure to pay fair share of taxes, Poor stakeholder consultation, Workplace discrimination, Labour Rights Violations, Working Conditions as well as Supply-Chain standards.

## What is the asset allocation and the minimum share of sustainable investments?

The Fund invests in direct financial instruments of which 100% is sustainable. All of these sustainable investments are socially sustainable.



### How does the use of derivatives attain the sustainable investment objective?

The Fund does not invest in derivatives. Therefore this question is not applicable.

Asset allocation describes the share of investments in specific assets.



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Due to the Fund's emphasis on social objectives, within the meaning of Article 9 of the SFDR, the Fund does not intend to invest in economic activities that contribute to an environmental objective. The investments underlying this Fund do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. As such, the Fund's portfolio alignment with such Taxonomy Regulation is not calculated. It follows that the minimum extent of sustainable investments with an aligned environmental objective aligned with the Taxonomy Regulation is currently 0%.

### Does the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?

☐ Yes

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

☐ In fossil gas ☐ In nuclear energy

☒ No



are environmentally sustainable investments that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments including sovereign bonds\*

Non Taxonomy-aligned



100%

1. Taxonomy-alignment of investments excluding sovereign bonds\*

Non Taxonomy-aligned



100%

This graph represents x% of the total investments.

\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

### What is the minimum share of investments in transitional and enabling activities?

The minimum share of investments in transitional and enabling activities is 0%.



### What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The minimum share of non-aligned environmental sustainable investments is 0%.



### What is the minimum share of sustainable investments with a social objective?

100% of the Fund's investments is sustainable with a social objective. This is determined based on the (potential) revenue streams of companies related to medical, dental or vision-related implants, bioprinting, prosthesis, or preservation of organs and tissue and the criteria defined for Norm-based research and Controversial sector involvement screenings to ensure that the companies in the portfolio do no significant harm to other sustainability related objectives.



### What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

Not applicable, all investments are sustainable.



### **Is a specific index designated as a reference benchmark to meet the sustainable investment objective?**

As a passive investments strategy, the Fund has designated its underlying index, the MVIS® Global Bionic Healthcare ESG Index, as reference benchmark to meet the sustainable investment objective.

### **How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?**

Sustainability factors are considered as part of screenings which are included in the reference benchmark and assessed at any rebalancing of the underlying Index. By means of Norm-based research and Controversial sector involvement screenings, the Fund takes sustainability factors relating to greenhouse gas emissions, biodiversity, water, waste, social and employee, respect for human rights, anti-corruption and anti-bribery matters into account. For detailed information, please refer to the questions “How have the indicators for adverse impacts on sustainability factors been taken into account?” and “How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?”

### **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

In order to seek to achieve its investment objective, the investment policy of the Fund is to use a replication strategy by investing directly in the underlying equity securities that consist of the component securities of the Index. The Fund is ‘passively’ managed. The Fund’s Manager, in order to ensure the alignment with the sustainable investments, monitors that the holdings are screened against the underlying Index’s rules by means of:

- Replication by the Portfolio Management Team of the Index based on the Index rules, Those also contain the requirements relating to the percentage of companies’ revenues derived from hydrogen projects, Norm-based research and Controversial sector involvement screenings (tobacco, fossil fuels, thermal coal mining, gambling, oil sands, civilian firearms, military equipment and services, and nuclear power), as coded in the Bloomberg Compliance Manager system. The Index components are periodically rebalanced by the Index provider.
- Reporting of any breaches of the Index rules by the Legal and Compliance Team, in line with VanEck’s policies and procedures, which are established to assess the alignment of the funds’ investments with the Index and to undertake recovery measures where necessary.
- Periodic confirmation on sustainability integration by the Index provider as part of the regular due diligence.
- Establishment of an ESG Committee which periodically reviews the compliance of the Fund’s characteristics with the current regulation and which goal is to establish, maintain and further develop and monitor ESG strategies offered by VanEck. The ESG Committee is composed by the managing directors and at least one member of each department.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.

- Committee is composed by the managing directors and at least one member of each department.
- Appointment of a proxy voting specialist - Glass Lewis Europe Limited - to exercise voting rights for all equity funds also on ESG factors. VanEck is periodically informed by the service provider on the voting activities.
- Appointment of a third-party engagement specialist - Glass Lewis Europe Limited - for the passive equity funds managed by VanEck Asset Management B.V. The engagement provider determines the engagement approach in accordance with its engagement policy and based on its engagements' priorities.

● ***How does the designated index differ from a relevant broad market index?***

The index differs from a generic broad market index in following ways:

- Thematic investment approach: companies that generate at least 50% (25% for current components) of their revenues from the following: Medical, dental or vision-related implants, bioprinting, prosthesis, or preservation of organs and tissue and be listed or traded on the Eligible Markets. This does not include companies involved in implantable or wearable devices or materials used only for cosmetic purposes.
- ESG screenings: companies with very severe social norms violations, the ones that are involved in civilian firearms, controversial weapons or that exceed certain thresholds of revenue exposure to various sectors (tobacco, energy extractives, gambling and military equipment and services), are not eligible for inclusion.

● ***Where can the methodology used for the calculation of the designated index be found?***

Information on the methodology can be found on the index provider's website:

<https://www.marketvector.com/indexes/sector/mvis-global-bionic-healthcare-esg>.



**Where can I find more product specific information online?**

More product-specific information can be found on the website:

<https://www.vaneck.com/ie/en/CYBO>.

**VANECK UCITS ETFs plc**  
**Supplement dated 20 December 2024**

**for**

**VanEck Circular Economy UCITS ETF**

This Supplement contains specific information in relation to the **VanEck Circular Economy UCITS ETF** (the **Fund**), a sub-fund of VanEck UCITS ETFs plc (the **Company**), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank pursuant to the Regulations.

**This Supplement forms part of, may not be distributed unless accompanied by (other than to prior recipients of the Prospectus of the Company dated 20 December 2024, as may be amended, supplemented, or modified from time to time), and should be read in conjunction with the Prospectus for the Company.**

THIS DOCUMENT IS IMPORTANT. YOU SHOULD NOT PURCHASE SHARES IN THE FUND DESCRIBED IN THIS SUPPLEMENT UNLESS YOU HAVE ENSURED THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT AND THE RISKS INVOLVED AND ARE SATISFIED THAT THE INVESTMENT IS SUITED TO YOUR CIRCUMSTANCES AND OBJECTIVES, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU ARE RECOMMENDED TO TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR.

The Directors of the Company whose names appear in the section entitled **Directors of the Company** in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

**Shares purchased on the secondary market cannot usually be sold directly back to the Fund. Investors must buy and sell Shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value when buying Shares and may receive less than the current Net Asset Value per Share when selling them.**

**An investment in the Fund, whose securities comprise holdings in emerging markets, should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors.**

Certain risks attached to investments in the Fund are set out in the Prospectus in the section entitled Risk Factors.

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## **1 IMPORTANT INFORMATION**

### **1.1 Profile of a typical investor**

A typical investor is expected to be an informed investor who is able to bear capital and income risk, and should view investment in the Fund as a medium to long term investment. A typical investor is expected to be an investor who wishes to take exposure to the markets covered by the Fund's investment policy and is prepared to accept the risks associated with an investment of this type, including the volatility of such market.

### **1.2 General**

This Supplement sets out information in relation to the Shares and the Fund. You must also refer to the Prospectus which is separate to this document and describes the Company and provides general information about offers of shares in the Company. You should not take any action in respect of the Shares unless you have received a copy of the Prospectus. Should there be any inconsistency between the contents of the Prospectus and this Supplement, the contents of this Supplement will, to the extent of any such inconsistency, prevail. This Supplement and the Prospectus should both be carefully read in their entirety before any investment decision with respect to Shares is made.

The Shares of the Fund have been admitted to listing on the Official List and trading on the Regulated Market of Euronext Dublin. This Supplement together with the Prospectus includes all information required to be disclosed by Euronext Dublin listing requirements and comprise listing particulars for the purpose of listing the Shares of the Fund on Euronext Dublin.

Neither the admission of Shares of the Fund to listing on the Official List and to trading on the Regulated Market of Euronext Dublin nor the approval of the listing particulars pursuant to the listing requirements of Euronext Dublin shall constitute a warranty or representation by Euronext Dublin as to the competence of service providers to or any other party connected with the Fund, the adequacy of information contained in the listing particulars or the suitability of the Fund for investment purposes.

As of the date of this Supplement, the Company does not have any loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

### **1.3 Suitability of Investment**

You are advised to inform yourself as to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Shares.

The Shares are not principal protected. The value of the Shares may go up or down and you may not get back the amount you have invested. See the section entitled Risk Factors of the Prospectus and the section entitled Risk Factors of this Supplement for a discussion of certain risks that should be considered by you.

An investment in the Shares is only suitable for you if you are a sophisticated investor and (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and



risks of such an investment and have sufficient resources to be able to bear any losses that may result from such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

#### **1.4 Distribution of this Supplement and Selling Restrictions**

Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus and is not authorised in any jurisdiction after publication of the audited annual report of the Company unless a copy of the then latest annual report and, if distributed after the semi-annual report has been produced, a copy of the then latest published semi-annual report and unaudited accounts is made available in conjunction with the Prospectus and this Supplement. The distribution of this Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. If you receive a copy of this Supplement and/or the Prospectus you may not treat such document(s) as constituting an offer, invitation or solicitation to you to subscribe for any Shares unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without compliance with any registration or other legal requirement other than those with which the Company has already complied. If you wish to apply for the opportunity to purchase any Shares it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile.

## **2 INVESTMENT OBJECTIVE AND POLICIES**

### **2.1 Investment Objective**

The Fund's investment objective is to replicate the price and the performance, before fees and expenses, of an index that provides exposure to companies involved in the "Circular Economy", which is commonly viewed as including companies involved in the following sectors: water purification and treatment products or services, waste-to-energy and biofuels, general waste management services that include recycling services and metal recycling services, as well as companies deriving revenues from products that are made of - or services related to - recycled, repurposed, or reused materials. The Fund has a sustainable investment objective.

### **2.2 Investment Policy**

In order to seek to achieve its investment objective, the Manager will normally use a replication strategy by investing directly in the underlying equity securities of the MVIS® Global Circular Economy ESG Index (the "Index") being the stock, American depository receipts (ADRs), and global depository receipts (GDRs). Such equity securities must be issued by companies who generate at least 50% of their revenues (25% for current index components) from: water purification and treatment products/services, waste-to-energy and biofuels, general waste management services that include recycling services, metal recycling services as well as with at least 50% of their revenues (25% for current index components) from products that are made of - or services related to - recycled, repurposed, or reused materials. Such equity securities must be listed or traded on the Markets referred to in Appendix II of the Prospectus.

The Fund may not invest in companies that violate certain ESG criteria including companies which (i) have committed very severe norms violations, (ii) have greater than 0% revenue exposure to controversial weapons, or (iii) exceed certain thresholds of revenue exposure to various sectors including but not limited to tobacco, gambling, military equipment and services and energy extractives.

Information on the thresholds of revenue and the full list of sectors is contained in the Index methodology guide which is available on the Index Provider's website.

The Fund will seek the prior approval of the Central Bank should the Fund seek to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. In exceptional market circumstances, such as, but not limited to, a material price movement impacting the weighting of an underlying equity security of the Index or disruptive market conditions or extremely volatile markets, an underlying equity security of the Index which is held by the Fund may exceed the regulatory limits intra rebalancing dates which would result in the Fund seeking to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. Where it is not practical or cost efficient for the Fund to fully replicate the Index, the Manager may utilise an optimised sampling methodology and further detail in respect of this approach is set out in the section entitled Investment Approach below.

The Fund may invest up to 15% of its Net Asset Value directly in shares issued by companies listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange. For the avoidance of doubt, the Fund may invest in China B and China H shares. China B shares are issued by issuers incorporated in China, which trade on the Shanghai and Shenzhen exchanges, are quoted in foreign currencies (such as USD) and are open to foreign investors. China H shares are issued by issuers that are incorporated in China and trade on the Hong Kong stock exchange. The Fund may invest more than 20% of its Net Asset Value in emerging markets.

**The Fund may also (or alternatively) invest in financial derivative instruments (FDIs) which relate to the Index or constituents of the Index.** The FDIs which the Fund may use are futures, options (puts and calls), swaps (including equity swaps and swaps on the Index), currency forwards and non-deliverable forwards (a forward contract that does not require settlement on maturity) (NDFs). Futures and options may be used in order to equitise (use) cash balances pending investment of subscription proceeds or other cash balances held by the Fund to seek to reduce tracking error. Currency forwards and NDFs may be used to hedge currency exposures. The Fund may use FDIs as an alternative to direct investment in the constituents of the Index in order to avail of the related cost or liquidity advantages of FDIs which may, in certain circumstances, be available over the direct investment in the constituents of the Index. The Fund may also use American depository receipts (ADRs) or global depository receipts (GDRs) to gain exposure to equity securities instead of using physical securities in circumstances where, due to local restrictions or quota limitations, it is not possible to hold these directly or where it is otherwise advantageous to the Fund to do so.

The Fund may also invest in ancillary liquid assets and money market instruments which may include bank deposits, depository receipts, certificates of deposit, fixed or floating rate instruments (treasury bills), commercial paper, floating rate notes and freely transferable promissory notes. The ancillary liquid assets, money market instruments and FDI (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus. Investment in ancillary liquid assets and money market instruments may be utilised in a variety of circumstances, including but not limited to, situations such as managing total exposure to cash and borrowing on a short-term basis and in anticipation of participation in a rights offering.

## **2.3 Efficient Portfolio Management**

Investors should note that the Fund may invest in FDIs for efficient portfolio management or hedging purposes only. The Fund may use futures, swaps and currency forwards for the purpose of reducing risk associated with currency exposures within the Fund. This may on occasion lead to an increase in the risk profile of the Fund or result in a fluctuation in the expected level of volatility. Please see the section entitled Risk Factors in the Prospectus in relation to such risks.

The Fund will employ the commitment approach to assess the Fund's global exposure and to ensure that the Fund's use of derivative instruments is within the limits specified by the Central Bank. Global exposure will be calculated daily. While the Fund may be leveraged through the use of the FDIs, any such leverage will not exceed 100% of the Fund's Net Asset Value.

Investment in FDIs is subject to the conditions and limits contained in the CBI UCITS Regulations. Subject to these limits, the Fund may invest in FDIs dealt on any of the regulated markets set out in the list of Markets in Appendix II to the Prospectus (and/or over the counter FDIs (OTCs)) which will be used for investment, efficient portfolio management and/or for hedging purposes.

The Company employs a risk management process which enables it to accurately measure, monitor and manage at any time the various risks associated with FDIs and their contribution to the overall risk profile of the portfolio of assets of the Fund. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments. The Fund will only invest in FDIs in accordance with the risk management policy prepared and submitted to the Central Bank in accordance with the Central Bank requirements.

The Fund may invest in FDIs dealt OTC provided that the counterparties to OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

Position exposure to the underlying assets of FDIs or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the CBI UCITS Regulations.

In addition, the Fund may enter into stocklending, repurchase and reverse repurchase agreements for efficient portfolio management purposes only subject to the conditions and the limits set out in the CBI UCITS Regulations. Investors are referred to the section entitled Use of Financial Derivative Instruments and Efficient Portfolio Management in the Prospectus.

## **2.4 Securities Financing Transactions**

While the Company may enter into securities financing transactions and repurchase agreements (SFTs) (as defined under Article 3 (11) of Regulation (EU) 2015/2365) (the SFTR), it is not anticipated that the Fund will enter into any SFTs. However, in the event that the Fund contemplates entering into such transactions, investors will be provided with further details of the structure and use of such transactions, together with any other information required to be disclosed to investors in accordance with Articles 13 and 14 of the SFTR. The Supplement will be updated accordingly in the event that the Fund will enter into any SFTs.

## **3 INVESTMENT APPROACH**

In order to seek to achieve its investment objective, the investment policy of the Fund is to use a replication strategy by investing directly in the underlying equity securities that consists of the component securities of the Index. The Fund will be 'passively' managed.

Where full replication is not possible, the Fund will invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities that generally replicate the Index. However, under various circumstances, it may not be practicable and possible to invest in such equity securities in proportion to their weightings in the Index. It is not expected that the Fund would invest

in securities outside the Index under normal circumstances. In extraordinary circumstances the Fund may use such other techniques including, but not limited to, representative or “optimised” sampling to gain access to stocks which provide economic characteristics similar to the security in the Index. There also may be instances, for example if one or more securities are suspended from trading or in situations where the Fund is forced to liquidate particular securities, in which the Manager may choose to overweight a security in the Index, purchase securities not in the Index which the Manager believes are appropriate to substitute for certain securities in the Index or utilise other investment techniques in seeking to replicate, before fees and expenses, the price and yield performance of the Index. The Fund may sell securities that are represented in the Index in anticipation of their removal from the Index or purchase securities not represented in the Index in anticipation of their addition to the Index.

Anticipated tracking error is based on the expected volatility of differences between the returns of the Fund and the returns of the Index. For a physically replicating ETF, one of the primary drivers of tracking error is the difference between the Fund's holdings and Index constituents. Cash management, trading costs from rebalancing and withholding tax or stamp duty suffered by the Fund on any income received from its Investments can also have an impact on tracking error as well as the return differential between the ETF and the benchmark Index. The impact can be either positive or negative depending on the underlying circumstances. The anticipated tracking error of the Fund is not a guide to its future performance. The annualised tracking error envisaged is not anticipated to exceed 0.20% under normal market conditions.

#### **4 INFORMATION ON THE INDEX**

The Index is a global index that tracks the performance of companies contributing to the Circular Economy. This includes companies with at least 50% (25% for current components) of their revenues from the following: water purification and treatment products or services, waste-to-energy and biofuels, general waste management services that include recycling services, metal recycling services. The Index also includes companies with at least 50% of their revenues (25% for current components) from products that are made of - or services related to - recycled, repurposed, or reused materials.

The Index supports sustainability in production of goods, recycling of goods and materials, and water purification and treatment meeting the UN's Sustainable Development Goals on Responsible Consumption and Production, and Clean Water and Sanitation.

The Index considers ESG factors, as described below and further detailed in the Index methodology available on the Index Providers website. The Index Provider utilizes ESG data provided by Institutional Shareholder Services group of companies (ISS). ISS provides the Index Provider with high-quality data, analytics and insight, including country ESG research and ratings enabling the Index Provider to identify material social and environmental risks and opportunities. In particular, data standards used by the Index Provider are:

- Data Input: MarketVector Indexes sources ESG data externally from ISS. Where data is not available, best efforts is made to model required data.
- Verification and quality of data: The provider of ESG-related data input is selected by the Index Provider based on an assessment of its existing processes in order to ensure the reliability and representativeness of the ESG-related data. The data provider has established processes in accordance with accepted and established market standards that ensure the permanent quality and reliability of the ESG-data provided.
- Reference standards: ISS Norm-Based Research framework consists of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding

Principles for Business and Human Rights and is embedded in the Sustainable Development Goals.

The Index does not consider companies that violate certain ESG criteria included in the following categories (binding criteria):

1. Norm-based research:

- Thematic areas: Union Rights, Workplace Discrimination, Bribery, Child Labour, Environmental Protection, Fundamental Human Rights, Forced Labour, Labour Standards, Money Laundering. Companies with a Case Severity Indicator score of 'Very Severe' are not included in the portfolio. The 'Very Severe' value identifies instances where the company is reportedly causing/contributing to critical adverse impact.

The Case Severity Indicator is a measure of the reported risk or impact on society or the environment and takes into account the degree of corporate involvement. The values which refer to severity are indicated in the Norm-based Research Methodology, as:

- "Severe": identifies instances where the company is reportedly causing/contributing significant adverse impact.
- "Moderate": identifies instances where the company is causing/contributing to adverse impact or linked to significant/critical adverse impact.
- "Potential": identifies instances where the impact and/or corporate involvement have not been clearly determined.

When companies are identified as involved in Gender Discrimination, Racial Discrimination and are listed on the AFL-CIO Boycott List (identified by "T"), are also not included in the portfolio.

- The overall Norm-based research score ("NBSEOverallScore"), assigning a 1-10 rating score to an issuer based on the issuer's link with any violations of international standards. The Index Provider excludes from the investable universe the companies which are assessed with a score of 9 or 10. The overall Norm-based research Severity Indicator score ("NBSEOverallSeverityScore"), which enables the inclusion in the portfolio of companies with a non 'Very Severe' score.

2. Controversial weapons, which takes into consideration the involvement in: Anti-personnel Mines, Biological Weapons, Chemical Weapons, Cluster Munitions, Depleted Uranium, Incendiary Weapons, Nuclear Weapons Outside NPT, Nuclear Weapons Inside NPT and White Phosphorus Weapons. These factors assign an overall Red, Amber, or Green flag to an issuer based on the issuer's involvement in the different categories of controversial weapons. Companies with a "Red" flag are excluded from the portfolio.
3. Civilian Firearms, which takes into consideration the involvement in: Ammunition, Assault Weapons, Automatic Firearms, High-Capacity Magazines, Any Tie and Repeating Firearms. When the Risk Flag, which indicates potential current or imminent involvement, is indicated as "Blank" or "Not Collected", the company is included in the portfolio.
4. Sector and energy extractives exposure, with consideration of Tobacco, Gambling, Energy Extractives (Thermal Coal Mining, Fossil Fuel, Oil Sands and Nuclear Power) and Military Equipment and Services. Only companies that derive not more than 5% of their revenues from the mentioned activities, can be included in the portfolio.

A company is considered to be ESG compliant if it satisfies the ESG screening criteria set forth by the Index Provider. Furthermore, the companies that are not covered by ISS or for which all relevant data fields are not collected by ISS may be eligible for inclusion. In these cases, the Index Provider will review the impact and will act on a best-efforts basis to ensure data coverage by performing qualitative data research through the review relevant publicly available information of the respective company.

The Index employs a capping scheme to ensure diversification by assigning weights to components which cannot exceed 8%.

All companies are ranked by their free-float market capitalisation. The maximum weight for any single stock is 8%. If a stock exceeds the maximum weight, then the weight will be reduced to the maximum weight and the excess weight shall be redistributed proportionally across all other Index constituents. This process is repeated until no stocks have weights exceeding the respective maximum weight.

The 8%-cap weighting scheme will be applied to the largest stocks and the excess weight after each step shall be redistributed across all other (uncapped) stocks in the Index on a proportional basis:

- If the largest two stocks exceed 8%, both will be capped at 8%.
- If the 3rd largest stock exceeds 7%, it will be capped at 7%.
- If the 4th largest stock exceeds 6.5%, it will be capped at 6.5%.
- If the 5th largest stock exceeds 6%, it will be capped at 6%.
- If the 6th largest stock exceeds 5.5%, it will be capped at 5.5%.
- If the 7th largest stock exceeds 5%, it will be capped at 5%.
- If any other stock exceeds 4.5%, it will be capped at 4.5%.

The reviews for this Index are based on the closing data on the last business day in February, May, August and November. If a company does not trade on the last business day in February, May, August or November, the last available price for such company will be used. The Index Provider has defined a "business day" to mean any day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in Frankfurt. The underlying Index data (e.g. new number of shares, new free-float factors, and new weighting cap factors) is announced on the second Friday in a quarter-end month (i.e. March, June, September and December). The weighting cap factors are based on closing data of the Wednesday prior to the second Friday in a quarter-end month (i.e. March, June, September and December).

Changes to the Index will be implemented and based on the closing prices of the third Friday of every quarter-end month (i.e. March, June, September and December). If the third Friday is not a business day, the review will take place on the last business day before the third Friday of such quarter-end month. If a company does not trade on the third Friday of a quarter-end month, then the last available price for such company will be used. Changes become effective on the next business day.

The target coverage of the Index is at least 90% of the free-float market capitalisation of the investable universe with at least 25 companies.

The following steps will be followed and form the Index review procedure:

1. All stocks in the investable universe are sorted in terms of free-float market capitalisation in descending order.
2. Stocks covering the top 85% of the free-float market capitalisation of the investable universe qualify for selection.

3. Existing components between the 85th and 98th percentiles also qualify for the Index.
4. If the coverage is still below 90% or the number of components in the Index is still below 25, the largest remaining stocks will be selected until coverage of at least 90% is reached and the number of stocks equals 25.
5. In case the number of eligible companies is below 25, additional companies are added by the Index Provider based on the next largest companies that fit the description of companies that meet the business activity, product, or service offering criteria and are closest to meeting the liquidity criteria as described above, until the number of stocks equals 25.

For all corporate events that result in a stock deletion from the Index, the deleted stock will be replaced with the highest ranked non-component on the most recent selection list immediately only if the number of components in the Index would drop below 20. The replacement stock will be added at the same weight as the deleted stock. Only in case the number of components drops below its minimum due to a merger of two or more index components, the replacement stock will be added with its uncapped free-float market capitalisation weight. In all other cases, i.e. there is no replacement, the additional weight resulting from the deletion will be redistributed proportionally across all other Index constituents.

The Information on the Index contains a summary of the principal features of the Index and is not a complete description of the Index. In case of inconsistency between the Information on the Index contained in this summary and the complete description of the Index which can be found on the Index Provider's website, the complete description of the Index prevails. Information on the Index appears on the website identified in the section entitled "Index Provider". Such information may change from time to time and details of the changes will appear on that website.

## 5 INDEX PROVIDER

The Index is published by MarketVector Indexes™ GmbH (the **Index Provider** or **MarketVector**), an affiliated company of the Manager. The Index Provider has contracted with Solactive AG to maintain and calculate the Index. The Index Provider does not sponsor, endorse, or promote the Fund and bears no liability with respect to the Fund or any security. The Index Provider will notify the Fund of material errors in the Index via the Index Provider's website. The Index Provider is an authorised benchmark administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation.

In accordance with Central Bank requirements, the Company is required to provide details of the Index Provider's website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company has no responsibility for the Index Provider's website and is not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof. Further information in relation to the Index may be found on the Index Provider's website, <https://marketvector.com/>.

## 6 INVESTMENT RESTRICTIONS

The general investment restrictions as set out in the Prospectus shall apply. The Fund may not invest more than 10% of its Net Asset Value in open-ended collective investment schemes.

The Fund may not invest less than 51% of its Net Asset Value in equity securities which constitute "equity participation" within the meaning of section 2, Article 8 of the German Investment Tax Act (Investmentsteuergesetz). Equity participation in this context consists of shares in corporations traded or admitted for trading on a regulated market or multilateral trading facility (MTF) considered as such by the European Securities and Markets Authority (ESMA). The actual equity participation ratios of target investment funds can be taken into account.

There may be instances where the weighting of any constituent security of the Index could cause the Fund to breach the investment restrictions set out in the Prospectus. If such an event occurs, it is intended that the Fund will purchase other assets, the effect of which will seek to maintain, so far as is possible, the same economic exposure to and the same weighting of the security of that issuer in the Index without breaching its investment restrictions.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders.

## **7 BORROWING**

The Fund may borrow money in an amount up to 10% of the market value of its net assets at any time for the account of any Fund and the Depositary may charge the assets of the Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Fund may acquire currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of the Regulations provided that the offsetting deposit is denominated in the Base Currency of the Fund and equals or exceeds the value of the foreign currency loan outstanding.

## **8 RISK FACTORS**

The general risk factors as set out in the section entitled Risk Factors in the Prospectus apply.

Investors in the Fund should be willing to accept a high degree of volatility in the price of the Fund's Shares and the possibility of significant losses. An investment in the Fund involves a substantial degree of risk. Therefore, you are advised to consider carefully the following risks before investing in the Fund.

An investment in the Fund may be subject to risks which include, among others, material transaction cost from rebalancing activity and fluctuations in the value of securities held by the Fund due to market and economic conditions or factors relating to specific issuers.

The value of investments and the income from them, and therefore the value of and income from the Shares can go down as well as up and an investor may not get back the amount invested. The Fund's exposure is based on the performance of the Index securities which, in turn, is exposed to general market movements (negative as well as positive).

Certain additional risks may also be associated with the Fund, including, without limitation:

### **8.1 Risk of Investing in the Utilities Sector**

The performance of utility companies may be affected by (without limitation) the following factors: supply and demand factors, escalating demand for natural resources, increases in fuel costs,



competition within the industry, government regulation on privatisation, pricing and supply, reduction of carbon emissions and other intervention, costs of complying with regulations, rising costs of financing capital construction, taxes, public scrutiny, natural disasters and other environmental conditions, the ability to recover payments due from customers and management of bad debt (especially in uncertain economic conditions). The utilities sector is subject to significant governmental regulations and review. Companies or issuers with high carbon intensity or high switching costs associated with the transition to low carbon alternatives, may be more impacted by climate transition risks. There may also be increased impacts on the value of the investments in the Fund as a result of geographical concentration in locations where the value of the investments in the Fund may be more susceptible to adverse physical climate events, as well as social and governance factors.

## **8.2 Risk of Investing in Technological Companies**

Technology companies typically face intense competition which may have an adverse effect on profit margins. The products of technology companies may become less competitive or obsolete due to technological developments and frequent new product innovation in the industry, unpredictable changes in growth rates and competition for qualified and skilled personnel. Companies in this sector tend to be heavily dependent on patent and intellectual property rights and their profitability may be adversely affected by loss or impairment of these rights. Certain technology companies may be reliant on limited product lines, markets, financial resources and/or certain key personnel. Other risk factors may include (but are not limited to) substantial capital requirements, government regulations and taxes. Certain parts of the technology sector may also be adversely affected by competitive demand for commodities and changes in commodity prices which may be unpredictable. Price movements of company stocks within the technology sector may be more volatile than other sectors.

## **8.3 Risk of Investing in Food and Beverage Industry**

Companies operating in the food and beverage industry may be vulnerable to cyclical declines in the agricultural industry. Companies operating in the food and beverage industry are subject to intense competition that may negatively impact on such companies' revenues and, accordingly, their market value. Issues in relation to transportation of food or beverage produce, for example transportation issues in to and out of the UK in light of Brexit, may impact on the range of goods which may be produced and the profitability of such companies. Natural events such as fire, drought, unseasonal rain, disease, flood, pests as well as human error and interruptions of water supply may have adverse impact on the food industry. The valuation of companies operating in the food and beverage industry may also fluctuate significantly with prices rising or falling sharply due to, for example, changing market supply and demand relationships. Additional or more stringent environmental and food safety laws and regulations may be enacted in the future and such changes could have a material adverse effect on the business of the Fund's portfolio companies.

## **8.4 Risk of Investing in Small- and Medium-Capitalisation Companies**

The securities of small- and medium-capitalisation companies may be more volatile and less liquid than the securities of large companies. As securities of small- and medium-capitalisation companies may experience more market price volatility than securities of larger companies, the net asset value of any fund which invests in small- and medium-capitalisation companies (such as the Fund) may reflect this volatility. Small- and medium-capitalisation companies, when compared with larger companies, may have a shorter history of operations, fewer financial resources, less competitive strength, may have a less diversified product line, may be more susceptible to market pressure and

may have a smaller market for their securities. Investment in small- and medium-capitalisation companies may involve comparatively higher investment costs and accordingly investment in the Fund should be viewed as a long term investment. The Fund may however dispose of an investment made by it within a relatively short period of time, for example, to meet requests for redemption of Shares.

## **8.5 Emerging Markets Risk**

Investments in securities of emerging market issuers are exposed to a number of risks that may make these investments volatile in price or difficult to trade. Emerging markets are more likely than developed markets to experience problems with the clearing and settling of trades, as well as the holding of securities by local banks, agents and depositories. Political risks may include unstable governments, nationalisation, restrictions on foreign ownership, laws that prevent investors from getting their money out of a country and legal systems that do not protect property rights as well as the laws in developed countries. Market risks may also include economies that concentrate in only a few industries, securities issues that are held by only a few investors, liquidity issues and limited trading capacity in local exchanges and the possibility that markets or issues may be manipulated by foreign nationals who have inside information. The frequency, availability and quality of financial information about investments in emerging markets varies. The Fund has limited rights and few practical remedies in emerging markets and the ability of authorities in developed countries to bring enforcement actions in emerging markets may be limited, and the Fund's passive investment approach does not take account of these risks. All of these factors can make emerging market securities more volatile and potentially less liquid than securities issued in more developed markets.

## **8.6 Special Risk Considerations of Investing in Chinese Issuers**

Investments in securities of Chinese issuers, including issuers located outside of China that generate significant revenues from China, involve risks and special considerations not typically associated with investments in the securities markets of developed countries. These risks, include, among others, (i) more frequent (and potentially widespread) trading suspensions and government interventions with respect to Chinese issuers resulting in lack of liquidity and in price volatility, (ii) currency revaluations and other currency exchange rate fluctuations or blockage, (iii) the nature and extent of intervention by the Chinese government in the Chinese securities markets, whether such intervention will continue and the impact of such intervention or its discontinuation, (iv) the risk of nationalisation or expropriation of assets, (v) the risk that the Chinese government may decide not to continue to support economic reform programs, (vi) limitations on the use of brokers, (vii) higher rates of inflation, (viii) greater political, economic and social uncertainty, (ix) market volatility caused by any potential regional or territorial conflicts or natural disasters and (x) the risk of increased trade tariffs, embargoes, sanctions, investment restrictions and other trade limitations. Certain securities are, or may in future become restricted, and the Fund may be forced to sell such restricted securities and incur a loss as a result. In addition, the economy of China differs, often unfavourably, from the global developed economy in such respects as structure, general development, government involvement, wealth distribution, rate of inflation, growth rate, interest rates, allocation of resources and capital reinvestment, among others. The Chinese central government has historically exercised substantial control over virtually every sector of the Chinese economy through administrative regulation and/or state ownership and actions of the Chinese central and local government authorities continue to have a substantial effect on economic conditions in China. In addition, previously the Chinese government has from time to time taken actions that influence the prices at which certain goods may be sold, encourage companies to invest or concentrate in particular industries, induce mergers between companies in certain industries and induce private companies to publicly offer their securities to increase or continue the rate of economic growth, control the rate of inflation or otherwise regulate economic expansion. The Chinese

government may do so in the future as well, potentially having a significant adverse effect on economic conditions in China.

Investors should note that certain auditing and accounting practices within the People's Republic of China may not be of a similar standard to those which would be expected in a more developed economy and may therefore impact the quality of information provided to third parties seeking to invest in Chinese domiciled companies. In recent years, certain auditing practices have resulted in an inability of entities (such as the US Public Company Accounting Oversight Board) to inspect audit work papers in China which may give rise to concerns regarding the ability to promote and enforce disclosure standards which would be expected of developed market companies and the availability of reliable financial information on which to base investment decisions. Ineffective or otherwise inadequate internal and external audit functions may increase the likelihood that fraud and other issues within a company are not detected and/or that material information used as part of a company's valuation and/or the Manager's investment decision making is inaccurate. Investors should note that the Fund's rights to seek redress may, as a matter of law or practicality, be limited and the rights of the Fund as an investor in a Chinese company may be limited.

## **8.7 Special Risk Considerations of Investing in Asian Issuers**

The Fund may invest in securities issued by Asian issuers and, accordingly, may be subject to the risk of investing in such issuers. Investment in securities of issuers in Asia involves risks and special considerations not typically associated with investment in the securities markets of developed countries. Certain Asian economies have experienced over-extension of credit, currency devaluations and restrictions, high unemployment, high inflation, decreased exports and economic recessions. Economic events in any one Asian country can have a significant effect on the entire Asian region as well as on major trading partners outside Asia, and any adverse effect on some or all of the Asian countries and regions in which the Fund invests. The securities markets in some Asian economies are relatively underdeveloped and may subject the Fund to higher action costs or greater uncertainty than investments in more developed securities markets. Such risks may adversely affect the value of the Fund's investments.

## **8.8 Foreign Currency Risk**

In the event that the Fund's assets are invested in securities denominated in currencies other than the Base Currency, all or a portion of the proceeds received by the Fund from its investments and/or the revenues received from such underlying issuer will generally not be in the Base Currency. The Fund's exposure to foreign currencies and changes in the value of foreign currencies versus the Base Currency may result in reduced returns for the Fund. Moreover, the Fund may incur costs in connection with conversions between the Base Currency and foreign currencies. The value of an emerging market country's currency may be subject to a high degree of fluctuation. This fluctuation may be due to changes in interest rates, investors' expectations concerning inflation and interest rates, the emerging market country's debt levels and trade deficit, the effects of monetary policies issued by foreign governments, central banks or supranational entities, the imposition of currency controls or other national or global political or economic developments. The economies of certain emerging market countries can be significantly affected by currency devaluations. Certain emerging market countries may also have managed currencies which are maintained at artificial levels relative to the Base Currency rather than at levels determined by the market. This type of system could lead to sudden and large adjustments in the currency, which in turn, can have a negative effect on the Fund and its investments.

## **8.9 Equity Securities Risk**

The value of the equity securities held by the Fund may fall due to general market and economic conditions, perceptions regarding the markets in which the issuers of securities held by the Fund participate, or factors relating to specific issuers in which the Fund invests. For example, an adverse event, such as an unfavourable earnings report, may result in a decline in the value of equity securities of an issuer held by the Fund; the price of the equity securities of an issuer may be particularly sensitive to general movements in the securities markets; or a drop in the securities markets may depress the price of most or all of the equities securities held by the Fund. Equity securities are subordinated to preferred securities and debt in a company's capital structure with respect to priority in right to a share of corporate income, and therefore will be subject to greater dividend risk than preferred securities or debt instruments. In addition, while broad market measures of equity securities have historically generated higher average returns than fixed income securities, equity securities have also experienced significantly more volatility in those returns. A change in the financial condition, market perception or the credit rating of an issuer of securities included in the Fund's Index may cause the value of its securities to decline.

## **8.10 Risk of Issuer-Specific Changes**

The value of individual securities or particular types of securities in the Fund's portfolio can be more volatile than the market as a whole and can perform differently from the value of the market as a whole, which may have a greater impact if the Fund's portfolio is concentrated in a country, group of countries, region, market or asset class. The value of securities of smaller issuers can be more volatile than that of larger issuers. A change in the financial condition, market perception or the credit rating of an issuer of securities included in the Index may cause the value of its securities to decline.

## **8.11 Concentration Risk**

The Fund's assets may be concentrated in a particular sector or sectors or industry or group of industries to the extent the Index concentrates in a particular sector or sectors or industry or group of industries. Accordingly, the Fund may be subject to the risk that economic, political or other conditions that have a negative effect on a particular industry or sector will negatively impact the Fund to a greater extent than if the Fund's assets were invested in a wider variety of sectors or industries.

The Fund may be particularly vulnerable to this risk because the Index is comprised of securities of a very limited number of issuers. The Fund's assets may be concentrated in a small number of stocks and/or may be concentrated in particular sectors which may subject the Fund to more risk than investments in a diverse group of companies and sectors.

## **8.12 Liquidity Risk**

The Company provides daily liquidity. Under normal circumstances, all positions can be sold within a very short period of time without realising significant losses. However, unforeseen circumstances can give rise to abnormal conditions which could cause the Company to face liquidity risk. It could be unable to sell its positions as a result. The degree to which the securities in which the Fund invests can be traded affects the level of the actual buy and sell prices. This could mean that securities cannot be sold or can only be sold at a substantially lower price than the valuation assigned and the Fund may be unable to free up adequate funds to satisfy its purchase obligations. The bid/ask prices can deviate from the asset value of the share in the Fund, as a result of which the performance may deviate

from that of the underlying Index or Indices, certainly in the event of limited liquidity on the market. To limit this risk, investments are only made in listed securities. In exceptional circumstances, if the purchase of shares in the Company is suspended for instance, there could be a risk that the investor may be unable to sell their investment at the desired moment or for a reasonable price. Given the open-ended character of the Company, it could be confronted with a high number of exits which would mean investments would have to be liquidated under potentially unfavourable conditions. This would negatively impact the value of the share. As described in this Prospectus, the purchase of shares may be (temporarily) suspended under certain circumstances.

## 9 DIVIDEND POLICY

It is not proposed that the Directors will declare a dividend in respect of the Fund. Full details of any change to the Fund's dividend policy will be provided in an updated Supplement and all Shareholders will be notified in advance.

## 10 KEY INFORMATION FOR PURCHASING AND SELLING

|                         |   |
|-------------------------|---|
| <b>Base Currency</b>    | US Dollar (USD)   |
| <b>Business Day</b>     | means every day other than a Saturday or Sunday (or such other day(s) as the Directors may from time to time determine and notify in advance to Shareholders).  |
| <b>Dealing Day</b>      | In general, each Business Day will be a Dealing Day. However, certain Business Days will not be Dealing Days where, in the sole determination of the Manager: (i) markets on which the Fund's investments are listed or traded, or markets relevant to the Index are closed, and/or (ii) there is a public holiday in the jurisdiction in which the Manager or its delegate(s), if applicable, is or are based; provided there is at least one Dealing Day per fortnight. The Dealing Days for the Fund are available at <a href="http://www.vaneck.com">www.vaneck.com</a> . |
| <b>Dealing Deadline</b> | 4:00 p.m. (Irish time) on the Business Day prior to the relevant Dealing Day.   |
| <b>Settlement Date</b>  | In the case of subscription(s), within 2 Business Days of the relevant Dealing Day.<br><br>In the case of repurchases, within 3 Business Days of the relevant Dealing Day.  |
| <b>Valuation Point</b>  | 11:00 p.m. (Irish time) on the relevant Dealing Day.  |
| <b>Website</b>          | Information on portfolio composition and details of intra-day portfolio value (iNAV) are set out on the website - <a href="http://www.vaneck.com">www.vaneck.com</a>  |

## Description of the Shares

|                                     |  |
|-------------------------------------|--|
| <b>Share Class</b>                  | A  |
| <b>ISIN</b>                         | IE0001J5A2T9   |
| <b>Initial Offer Period</b>         | The Initial Offer Period shall commence at 9:00 a.m. (Irish time) 22 September 2022 and close at 5.00 p.m. (Irish time) on 21 February 2023 as may be shortened or extended by the Directors and notified to the Central Bank. |
| <b>Initial Price</b>                | Approximately USD 20, plus an appropriate provision for Duties and Charges, or such other amount as determined by the Manager and communicated to investors prior to investment.   |
| <b>Creation Unit</b>                | 50,000 Shares or such other amount as may be determined by the Directors at their discretion.  |
| <b>Minimum Initial Subscription</b> | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Initial Subscription.  |
| <b>Minimum Holding</b>              | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Holding.   |

## 11 CHARGES AND EXPENSES

The following fees and expenses will be incurred by the Company on behalf of the Fund and will affect the Net Asset Value of the relevant Class of Share of the Fund:

|                    |   |
|--------------------|---|
| <b>Share Class</b> | A   |
| <b>Total Fee</b>   | Up to 0.40% per annum or such lower amount as may be advised to Shareholders from time to time. |

The Total Fee, a percentage of the Net Asset Value of the relevant Class of Shares (plus VAT, if any), is payable by the Company out of the Fund Assets to the Manager. The Total Fee will accrue on each day and will be calculated on each Dealing Day and paid monthly in arrears. The Total Fee will cover all of the ordinary fees, operating costs and expenses payable by the Fund including fees and expenses paid to the Manager, all ordinary costs and expenses connected with the management and operating activities of the Fund, including investment management and advisory fees, Director's fees, registration, transfer agency, administration and custody fees, registrar fees, regulators and auditors and certain legal expenses of the Company. The Total Fee does not include extraordinary costs and expenses (including but not limited to transaction charges, stamp duty or other taxes on the investments of the Company including duty charges for portfolio re-balancing, withholding taxes, commissions and brokerage fees incurred with respect to the Company's investments, interest on any non-overdraft credit facility and charges incurred in negotiating, effecting or varying the terms of such facility, any commissions charged by intermediaries in relation to an investment in the Fund and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as

material litigation in relation to the Company all of which will be paid separately out of the assets of the Fund). The cost of establishing the Fund will be borne by the Manager.

This section entitled Charges and Expenses should be read in conjunction with the sections entitled General Charges and Expenses and Management Charges and Expenses in the Prospectus.

## **12 REGISTRATION FOR PUBLIC DISTRIBUTION AND LISTING**

Application is expected to be made to register the Fund for public distribution in various countries.

Application will be made to list the Shares on Euronext and other stock exchanges. Through the operation of such a secondary market, persons who are not Authorised Participants or not able or willing to subscribe for and redeem Creation Units will be able to buy Shares from or sell Shares to other retail investors or market makers, broker/dealers, or other Authorised Participants at prices which should approximate, after currency conversion, the Net Asset Value of the Shares.

## **13 HOW TO BUY AND SELL SHARES**

Investors can buy and sell Shares on the secondary market as described above in accordance with the procedures set out in the section entitled Secondary Market in the Prospectus.

Investors can otherwise subscribe for or redeem Creation Units in accordance with the procedures set out in the Prospectus.

## **14 SUSTAINABLE FINANCE DISCLOSURE**

The Manager has categorised the Fund as meeting the provisions set out in Article 9(1) of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector ("**SFDR**") for products which have sustainable investment as their objective and where an index has been designated as a reference benchmark, as further described in Annex I of this Supplement.

### **14.1 Sustainable Investment Objective**

This Fund aims at supporting sustainable recycling activities.

This Fund has a sustainable investment objective with an emphasis on environmental objectives. The Fund has a passive investment policy whereby the Fund aims to follow the Index as closely as possible. The Index considers companies contributing to the Circular Economy. This includes companies with at least 50% (25% for current components) of their revenues from the following: water purification and treatment products or services, waste-to-energy and biofuels, general waste management services that include recycling services, metal recycling services. The Index also includes companies with at least 50% of their revenues (25% for current components) from products that are made of - or services related to - recycled, repurposed, or reused materials.

In addition, certain screenings are applied in the index construction to ensure that the companies do not significantly harm any other environmental or social sustainable investment objective. By means of ISS data companies are screened for activities which may negatively affect sustainability factors. The screenings consist of various components:

- Norms-Based Research whereby companies are screened for violations of international standards concerning various norms such as human rights, labor rights, environmental risk and bribery. ISS Norm-Based Research framework consists of the Principles of the UN Global Compact, the OECD

Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights and is embedded in the Sustainable Development Goals.

- Involvement in controversial weapons.
- Involvement in civilian firearms.
- Involvement in controversial sectors
- if 5% revenue or more derived from activities in the tobacco industry, thermal coal mining, gambling, oil sands, military equipment and services and nuclear power.

## **14.2 Sustainability Risks**

Sustainability risk is the risk that the value of an investment will decline as a result of an environmental, social or governance (ESG) event or circumstance. Ecological events include climate change, scarcity of natural resources and pollution. Social events may include labour issues and product liability. Governance can include themes such as shareholder rights, business ethics, diversity and executive remuneration. Sustainability risks can arise in all kinds of forms. With regard to the theme of climate, for example, there is a distinction between transition risks and physical risks, whereby transition risks can be divided into legal and regulatory risks, technological risks, market risks and reputation risks. In addition, the impact of sustainability risk has various scopes, including company-specific, sector-specific and on country level. The occurrence of a sustainability risk results in other (financial) risks manifesting. This can negatively affect the value of the investment.

Concrete examples of sustainability risks for the Fund are: a company has an overly generous remuneration policy or a remuneration policy that is inconsistent with the interests of the shareholders. Also, a company's reputation can deteriorate as a result of negative publicity about an environmental or labour issue that can cause the value of its stock to decline. The expected impact of sustainability risks on the return depends on the type of sustainability risk that materializes. For developed and emerging markets equity portfolios, this expected impact is generally viewed as significant.

## **14.3 Sustainability Risk Integration**

The Fund has a passive investment policy whereby the Fund aims to follow the Index as closely as possible. The relevant Index has the following sustainability characteristics:

The MVIS Global Circular Economy ESG Index is a global index that tracks the performance of companies contributing to the circular economy.

The Index supports sustainability in production of goods, recycling of goods and materials, and water purification and treatment, thereby contributing both directly and indirectly to addressing social, economic and environmental issues.

Primarily, it addresses the SDG goal of Sustainable consumption and production, via means of investing in companies active in recycling, reselling and refurbishing goods. Indirectly, the Index can promote:

- good health and well-being through the reduction of waste and pollution;
- making cities inclusive, safe, resilient and sustainable, by improving waste management practices
- taking action to combat climate change and its impacts by reducing the need for goods production and related carbon emissions
- improving life on land and water by promoting sustainable forestry practices and responsible waste management
- Industry innovation, meaning improved resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes



The Fund therefore has the same specific sustainability characteristics as well.

In addition to the determination of the investment universe applied to the Fund, the Manager integrates sustainability risks by means of the following measure:

### **Exclusions**

Exclusions apply to this Sub-Fund as further outlined in section 2.2 and 14.1 of this Supplement as well as section 10 of the Prospectus.

### **Voting**

The Manager can exercise his voting rights at shareholders' meetings, according to the Proxy Voting Policy. To assist in its responsibility for voting proxies and the overall voting process, the Manager has engaged an independent third party proxy voting specialist, Glass Lewis Europe Limited, which takes also Environmental, Social and Governance factors into account when casting votes.

In particular, the Glass Lewis ESG voting policy is applied:

- On the Environmental side, within others, measures in favour of increased disclosure of a company's environmental risk through company-specific disclosure as well as compliance with international environmental conventions and adherence to environmental principles will be supported. Similarly, the ESG Policy will support proposals requesting companies develop greenhouse gas emissions reduction goals, comprehensive recycling. The ESG Policy will evaluate a company's impact on the environment, in addition to the regulatory risk a company may face by not adopting environmentally responsible policies. Further, the ESG Policy will consider voting against directors for not appropriately overseeing environmental risk.
- On the Social side, the ESG Policy will support several proposals, including but not limited to requesting that a company develop sustainable business practices, such as animal welfare policies, human rights policies, and fair lending policies. Furthermore, the ESG Policy will also generally support enhancing the rights of workers, as well as considering the communities and broader constituents in the areas in which companies do business.
- On the Governance side, the ESG Policy supports, within other aspects, increased shareholder participation and access to a company and its board of directors. Accordingly, the ESG Policy will vote in favour of initiatives that seek to enhance shareholder rights, such as the introduction of majority voting to elect directors, the adoption and amendment of proxy access bylaws, the elimination/reduction of supermajority provisions, the declassification of the board, the submission of shareholder rights' plans to a shareholder vote, and the principle of one share, one vote.

### **Engagement**

The Manager appointed a third-party engagement specialist, Glass Lewis Europe Limited, for the passive equity funds managed by VanEck Asset Management B.V. The engagement provider determines the engagement approach in accordance with its engagement policy and based on its engagements' priorities.

## **15 OTHER INFORMATION**

New Funds may be created from time to time by the Directors with the prior approval of the Central Bank in which case further Supplements incorporating provisions relating to those Funds will be issued by the Company.

The names of the Funds currently approved by the Central Bank are listed in the Global Addendum.

## **SCHEDULE 1**

### **DISCLAIMER**

The Index is the exclusive property of MarketVector Indexes GmbH (MarketVector), a wholly owned subsidiary of the Manager, which has contracted with Solactive AG to maintain and calculate the Index. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards MarketVector, Solactive AG has no obligation to point out errors in the Index to third parties. The Fund is not sponsored, endorsed, sold or promoted by MarketVector and MarketVector makes no representation regarding the advisability of investing in the Fund. The Index is calculated weekdays between 01:00 and 22:40 (CET) and the Index values are disseminated to data vendors every 15 seconds on days when the US equity market is open for trading. The Index is disseminated in USD.

In accordance with Central Bank requirements, the Company and the Fund are required to provide details of the Index Provider's website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company and the Fund have no responsibility for the Index Provider's website and are not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof.

The indicative optimised portfolio value/intra-day portfolio value is calculated by S&P Global Ltd.

## ANNEX I

Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: VanEck Circular Economy UCITS ETF  
Legal entity identifier: 25490039EAJAQAXY8457

## Sustainable investment objective

### Does this financial product have a sustainable investment objective?

☒ ☒ ☒ **Yes**

☒ It will make a minimum of **sustainable investments with an environmental objective: 100%**

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective: \_\_\_\_%**

☐ ☐ ☐ **No**

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

### What is the sustainable investment objective of this financial product?

The Fund aims at supporting sustainable production and consumption practices. Therefore, the Fund invests in companies active in water purification and treatment products or services, waste-to-energy and biofuels, general waste management services that include recycling services, metal recycling services as well as companies deriving majority of their revenues from products that are made of - or services related to - recycled, repurposed, or reused materials. Companies that meet certain ESG standards related to sustainable water purification, waste management and recycling services are also included.

A reference benchmark has been designated for the purpose of attaining the sustainable investment objective.

Compared to a non-ESG fund with similar exposure, this Fund applies mandatory Environmental and Social factors and limits. These are corresponding to the Principle Adverse Impacts specified below.

● **What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?**

The Fund measures the following sustainability indicators:

| Indicator  |
|--|
| The weighted percentage of investee companies' revenues attributable to circular economy.  |
| The percentage of portfolio involved in violations of UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights. The target is 0% at rebalancing. |
| The percentage of portfolio involved in the fossil fuels industry  |
| The percentage of portfolio involved in non-renewable energy production.   |

● **How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**

Screenings are applied in the index construction to ensure that the companies do not significantly harm any other environmental or social sustainable investment objective. The screenings consist of various components:

- Controversial sector involvement whereby companies are screened for involvement in:
  - Controversial weapons: a 0% involvement threshold is applied for production of controversial weapons or supply of critical components for them.
  - Civil firearms: a 0% involvement threshold is applied.
  - Tobacco, thermal coal, fossil fuels, oil sands, nuclear military equipment and services and gambling: a 5% revenue threshold is applied.
- Norm-Based Research whereby companies are screened for violations of international standards concerning various norms such as human rights, labor rights, environmental risk and bribery.

Companies for which there is no data available on one or more screening components do not constitute a violation of environmental or social objectives on that specific screening component. Companies that are not covered by the ESG data provider or for which all relevant data fields are not collected by the ESG data provider may be eligible for inclusion.

— **How have the indicators for adverse impacts on sustainability factors been taken into account?**

Based on the Fund's thematic investment policy focusing on recycling and sustainable production, adverse impacts on sustainability factors such as GHG intensity, Water Emissions and Hazardous Waste Ratio are limited and therefore implicitly taken into account.

In addition, the Fund considers the following principal adverse impacts by means of screening and excluding companies with a low performance on sustainability factors on the below subjects in the following manner:

1. Greenhouse Gas (GHG Emissions):
  - Part of Norm-based research on environmental protection "Failure to mitigate climate change impacts"
  - Fossil Fuel/Coal - Total Maximum Percentage of Revenues is 5%: This factor provides the maximum percentage of recent-year revenues for the issuer's

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- total involvement in coal/fossil fuel, including any exposure in Production, Exploration, Distribution, and Services.
- Companies that are eligible for the index inclusion under sub-theme F, must display a positive environmental impact by having at least one score larger than zero, and the other score at least zero, related to the Contribution and Achievement of Sustainable Agriculture and Forestry or Agriculture Climate Change Contribution.
- 2. Biodiversity
  - Part of Norm-based research on environmental protection "Failure to prevent depletion of biodiversity" and "Failure to prevent deforestation / illegal logging"
- 3. Water
  - Part of Norm-based research on environmental protection "Failure to prevent depletion of biodiversity", "Failure to prevent water pollution" and "Failure to prevent oil spill"
- 4. Waste
  - Part of Norm-based research on environmental protection "Poor waste management", "Poor nuclear safety", "Failure to prevent pollution" and "Failure to mitigate the production / distribution of hazardous substances"
- 5. Social and employee, respect for human rights, anti-corruption and anti-bribery matters
  - Norm-based screening covers controversial practices that have adverse impacts on society and the environment in line with established expectations for Responsible Business Conduct as set forth in the core normative framework consisting of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights, all of which are embedded in the Sustainable Development Goals.
  - Part of Norm-based research on Human Rights, including "Failure to conduct human rights due diligence" and "Failure to provide equal pay for work of equal value"
  - Controversial weapons screenings are performed whereby companies with a RED exposure score in anti-personnel mines, biological and chemical weapons, cluster munitions, depleted uranium, incendiary weapons, white phosphorus and nuclear weapons are excluded from the index.

A description on how the Fund has considered Principal Adverse Impacts on sustainability factors in the preceding year is included in the Fund's annual report.

— *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Norm-based research is conducted, whereby companies are screened for violations of international standards concerning various norms such as human rights, labor rights, environmental risk and bribery. Norm-based Research framework consists of research on the level of adherence of a company to the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights and is embedded in the Sustainable Development Goals.

Violations of these standards are measured by reference to the Case Severity Indicator. The Case Severity Indicator is a measure of the reported risk or impact on society or the environment and takes into account the degree of corporate involvement. The values which refer to severity are indicated in the Normed-based Research Methodology as 'Very Severe', 'Severe', 'Moderate' and 'Potential'. The 'Very Severe' value identifies instances where the company is reportedly causing/contributing to critical adverse impact and is excluded from the Index.

Furthermore, the overall Norm-based research Score ("NBSoOverallScore") assigns a 1-10 rating score to an issuer based on the issuer's link with any violations of international standards. The Index Provider excludes from the investable universe the companies which are assessed with a score of 9 or 10, equivalent to verified or imminent failure to respect established norms.



### Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes

☐ No

Yes, exposure to certain environmental adverse impacts is minimized due to the thematic investment policy of the Fund whereby specific emphasis is placed on companies which contribute to the development of sustainable forms of production and consumption. In addition, by means of Norm-based research and Controversial sector involvement screenings, the Fund takes the principal adverse impacts on sustainability factors relating to greenhouse gas emissions, biodiversity, water, waste, social and employee, respect for human rights, anti-corruption and anti-bribery matters into account.

For detailed information, please refer to the questions "How have the indicators for adverse impacts on sustainability factors been taken into account?" and "How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?"

Additionally, principal adverse impacts are considered as part of the Glass Lewis ESG policy guidelines, whereby casted votes regard the environment, energy efficiency, the use of renewable energy sources, enhancing the rights of workers, violation of international human rights standards, gender pay inequity and board diversity.



### What investment strategy does this financial product follow?

The Fund's investment objective is to replicate, before fees and expenses, the price and yield performance of the MVIS<sup>®</sup> Global Circular Economy ESG Index. The Fund seeks to invest in companies which generate revenues from activities in water purification and treatment products or services, waste-to-energy and biofuels, general waste management services that include recycling services, metal recycling services as well as companies deriving majority of their revenues from products that are made of - or services related to - recycled, repurposed, or reused materials. In addition, the Glass Lewis ESG-tilted voting policy is applied, whereby casted votes in shareholder meetings of companies in the portfolio concern sustainability matters.

#### What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

The Fund's investments must comply with the following binding elements:

1. Companies must generate at least 50% (25% for current components) of their revenues from the following: water purification and treatment products or services, waste-to-energy and biofuels, general waste management services that include recycling services, metal recycling services. The Fund also includes companies with at least 50% of their revenues (25% for current components) from products that are made of - or services related to - recycled, repurposed, or reused materials. In addition, companies that meet certain ESG standards related to sustainable water purification, waste management and recycling services can also be included.
2. Companies must comply with the criteria defined for Norm-based research and Controversial sector involvement screenings to ensure that the companies in the

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.



activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

portfolio do no significant harm to other sustainability related objectives. The exact thresholds are described under "How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?" and the two subsequent questions.

#### What is the policy to assess good governance practices of the investee companies?

Good governance relates to sound management structures, employee relations, remuneration of staff and tax compliance. The Fund excludes companies when ISS rating shows the verifiably violated or imminent to violate the OECD Guidelines for multinational enterprises and the UN Guiding Principles on Business and Human Rights.

Assessment is performed at any rebalancing of the underlying Index, excluding companies with a score of 9 or 10, according to the Norm-based research overall score approach.

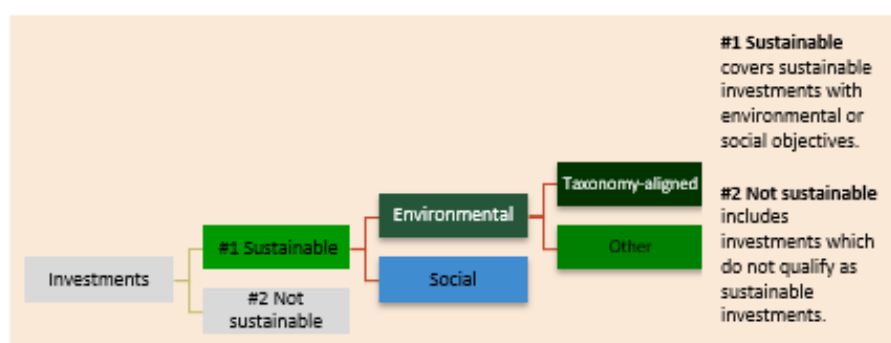
In addition, the Fund also excludes companies with severe and very severe controversy ratings. The rating takes into account, among others, Accounting Fraud, Anti-competitive Behaviour, Bribery, Money Laundering, Failure to manage cybersecurity, Failure to pay fair share of taxes, Poor stakeholder consultation, Workplace discrimination, Labour Rights Violations, Working Conditions as well as Supply-Chain standards.

sound management structures, employee relations, remuneration of staff and tax compliance.



#### What is the asset allocation and the minimum share of sustainable investments?

The Fund invests in direct financial instruments of which 100% is sustainable. All of these sustainable investments are environmentally sustainable.



Asset allocation describes the share of investments in specific assets.

#### How does the use of derivatives attain the sustainable investment objective?

The Fund does not invest in derivatives. Therefore this question is not applicable.



#### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the Fund has a sustainable investment objective within the meaning of Article 9 of the SFDR and invests in companies involved in recycling products and services and those enabling enhancement of goods lifecycles, thereby aiming to enhance the development of sustainable recycling solutions and reducing the amount of generated waste, the investments underlying this Fund do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. As such, the Fund's portfolio alignment with such Taxonomy Regulation is not calculated. It follows that the minimum extent of sustainable investments with an aligned environmental objective aligned with the Taxonomy Regulation is currently 0%.



- Does the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?

☐ Yes

☐ In fossil gas

☐ In nuclear energy

☒ No



are environmentally sustainable investments that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments including sovereign bonds\*

= Non Taxonomy-aligned



100%

1. Taxonomy-alignment of investments excluding sovereign bonds\*

= Non Taxonomy-aligned



100%

This graph represents x% of the total investments.

\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

- What is the minimum share of investments in transitional and enabling activities?  
The minimum share of investments in transitional and enabling activities is 0%.



### What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

100% of the Fund's investments is sustainable with an environmental objective that are not aligned with the EU Taxonomy. This is determined based on the (potential) revenue streams of companies related to sustainable production and consumption practices and the criteria defined for Norm-based research and Controversial sector involvement screenings to ensure that the companies in the portfolio do no significant harm to other sustainability related objectives. The Fund's investments are considered to be sustainable investments with an environmental objective, but are not aligned with the expansive and strict criteria which are defined for circular economy in the EU Taxonomy.



### What is the minimum share of sustainable investments with a social objective?

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Not applicable as the Fund is not pursuing a social objective.



**What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?**

Not applicable, all investments are sustainable.



**Is a specific index designated as a reference benchmark to meet the sustainable investment objective?**

As a passive investments strategy, the Fund has designated its underlying index, the MVIS® Global Circular Economy ESG Index, as reference benchmark to meet the sustainable investment objective.

● ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

Sustainability factors are considered as part of screenings which are included in the reference benchmark and assessed at any rebalancing of the underlying Index. By means of Norm-based research and Controversial sector involvement screenings the Fund takes sustainability factors relating to greenhouse gas emissions, biodiversity, water, waste, social and employee, respect for human rights, anti-corruption and anti-bribery matters into account.

For detailed information, please refer to the questions “How have the indicators for adverse impacts on sustainability factors been taken into account?” and “How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?”.

● ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

In order to seek to achieve its investment objective, the investment policy of the Fund is to use a replication strategy by investing directly in the underlying equity securities that consists of the component securities of the Index. The Fund is ‘passively’ managed. The Fund’s Manager, in order to ensure the alignment with the sustainable investments, monitors that the holdings are screened against the underlying Index’s rules by means of:

- Replication by the Portfolio Management Team of the Index based on the Index rules, Those also contain the requirements relating to the percentage of companies’ revenues derived from hydrogen projects, Norm-based research and Controversial sector involvement screenings (tobacco, fossil fuels, thermal coal mining, gambling, oil sands, civilian firearms, military equipment and services, and nuclear power), as coded in the Bloomberg Compliance Manager system. The Index components are periodically rebalanced by the Index provider.
- Reporting of any breaches of the Index rules by the Legal and Compliance Team, in line with VanEck’s policies and procedures, which are established to assess the alignment of the funds’ investments with the Index and to undertake recovery measures where necessary.
- Periodic confirmation on sustainability integration by the Index provider as part of the regular due diligence.
- Establishment of an ESG Committee which periodically reviews the compliance of the Fund’s characteristics with the current regulation and which goal is to establish, maintain and further develop and monitor ESG strategies offered by VanEck. The ESG

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.

Committee is composed by the managing directors and at least one member of each department.

- Appointment of a proxy voting specialist - Glass Lewis Europe Limited - to exercise voting rights for all equity funds also on ESG factors. VanEck is periodically informed by the service provider on the voting activities.
- Appointment of a third-party engagement specialist - Glass Lewis Europe Limited - for the passive equity funds managed by VanEck Asset Management B.V. The engagement provider determines the engagement approach in accordance with its engagement policy and based on its engagements' priorities.

● ***How does the designated index differ from a relevant broad market index?***

The index differs from a generic broad market index in following ways:

- Thematic investment approach: companies that derive at least 50% (25% for current components) of their revenues from water purification and treatment products or services, waste-to-energy and biofuels, general waste management services that include recycling services, metal recycling services or companies with at least 50% of their revenues (25% for current components) from products that are made of - or services related to - recycled, repurposed, or reused materials. In addition, companies that meet certain ESG standards related to sustainable water purification, waste management and recycling services could also be included.
- ESG screenings: companies with very severe social norms violations, the ones that are involved in civilian firearms, controversial weapons or that exceed certain thresholds of revenue exposure to various sectors (tobacco, energy extractives, gambling and military equipment and services), are not eligible for inclusion.

● ***Where can the methodology used for the calculation of the designated index be found?***

Information on the methodology can be found on the index provider's website: [https://www.mvis-indices.com/rulebooks/download/mv\\_equity\\_guide.pdf](https://www.mvis-indices.com/rulebooks/download/mv_equity_guide.pdf).



**Where can I find more product specific information online?**

More product-specific information can be found on the website:

<https://www.vaneck.com/ie/en/etf/equity/REUS>.

**VANECK UCITS ETFs plc**

**Supplement dated 20 December 2024**

**for**

**VanEck Uranium and Nuclear Technologies UCITS ETF**

This Supplement contains specific information in relation to the **VanEck Uranium and Nuclear Technologies UCITS ETF** (the **Fund**), a sub-fund of VanEck UCITS ETFs plc (the **Company**), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank pursuant to the Regulations.

**This Supplement forms part of, may not be distributed unless accompanied by (other than to prior recipients of the Prospectus of the Company dated 20 December 2024, as may be amended, supplemented, or modified from time to time), and should be read in conjunction with the Prospectus for the Company.**

THIS DOCUMENT IS IMPORTANT. YOU SHOULD NOT PURCHASE SHARES IN THE FUND DESCRIBED IN THIS SUPPLEMENT UNLESS YOU HAVE ENSURED THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT AND THE RISKS INVOLVED AND ARE SATISFIED THAT THE INVESTMENT IS SUITED TO YOUR CIRCUMSTANCES AND OBJECTIVES, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU ARE RECOMMENDED TO TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR.

The Directors of the Company whose names appear in the section entitled **Directors of the Company** in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

**Shares purchased on the secondary market cannot usually be sold directly back to the Fund. Investors must buy and sell Shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value when buying Shares and may receive less than the current Net Asset Value per Share when selling them.**

**An investment in the Fund, whose securities comprise holdings in emerging markets, should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors.**

Certain risks attached to investments in the Fund are set out in the Prospectus in the section entitled Risk Factors.

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## **1 IMPORTANT INFORMATION**

### **1.1 Profile of a typical investor**

A typical investor is expected to be an informed investor who is able to bear capital and income risk, and should view investment in the Fund as a medium to long term investment. A typical investor is expected to be an investor who wishes to take exposure to the markets covered by the Fund's investment policy and is prepared to accept the risks associated with an investment of this type, including the volatility of such market.

### **1.2 General**

This Supplement sets out information in relation to the Shares and the Fund. You must also refer to the Prospectus which is separate to this document and describes the Company and provides general information about offers of shares in the Company. You should not take any action in respect of the Shares unless you have received a copy of the Prospectus. Should there be any inconsistency between the contents of the Prospectus and this Supplement, the contents of this Supplement will, to the extent of any such inconsistency, prevail. This Supplement and the Prospectus should both be carefully read in their entirety before any investment decision with respect to Shares is made.

The Shares of the Fund have been admitted to listing on the Official List and trading on the Regulated Market of Euronext Dublin. This Supplement together with the Prospectus includes all information required to be disclosed by Euronext Dublin listing requirements and comprise listing particulars for the purpose of listing the Shares of the Fund on Euronext Dublin.

Neither the admission of Shares of the Fund to listing on the Official List and to trading on the Regulated Market of Euronext Dublin nor the approval of the listing particulars pursuant to the listing requirements of Euronext Dublin shall constitute a warranty or representation by Euronext Dublin as to the competence of service providers to or any other party connected with the Fund, the adequacy of information contained in the listing particulars or the suitability of the Fund for investment purposes.

As of the date of this Supplement, the Company does not have any loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

### **1.3 Suitability of Investment**

You are advised to inform yourself as to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Shares.

The Shares are not principal protected. The value of the Shares may go up or down and you may not get back the amount you have invested. See the section entitled Risk Factors of the Prospectus and the section entitled Risk Factors of this Supplement for a discussion of certain risks that should be considered by you.

An investment in the Shares is only suitable for you if you are a sophisticated investor and (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from

such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

## **1.4 Distribution of this Supplement and Selling Restrictions**

Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus and is not authorised in any jurisdiction after publication of the audited annual report of the Company unless a copy of the then latest annual report and, if distributed after the semi-annual report has been produced, a copy of the then latest published semi-annual report and unaudited accounts is made available in conjunction with the Prospectus and this Supplement. The distribution of this Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. If you receive a copy of this Supplement and/or the Prospectus you may not treat such document(s) as constituting an offer, invitation or solicitation to you to subscribe for any Shares unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without compliance with any registration or other legal requirement other than those with which the Company has already complied. If you wish to apply for the opportunity to purchase any Shares it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile.

## **2 INVESTMENT OBJECTIVE AND POLICIES**

### **2.1 Investment Objective**

The Fund's investment objective is to replicate the price and the performance, before fees and expenses, of an index that provides exposure to companies involved in uranium mining and distribution or in projects related to the construction, engineering and maintenance of nuclear power facilities and nuclear reactors, equipment and technology or services to the nuclear power industry development and commercialization of nuclear fusion technology or molten salt nuclear reactor research as well as exchange-listed funds that track the spot price of uranium or invest in physical uranium.

### **2.2 Investment Policy**

In order to seek to achieve its investment objective, the Manager will normally use a replication strategy by investing directly in the underlying securities of MarketVector™ Global Uranium and Nuclear Energy Infrastructure Index (the “**Index**”) being the equity stock, American depository receipts (ADRs), global depository receipts (GDRs) and closed-ended exchange-listed funds which (i) qualify as transferable securities, (ii) are subject to the corporate governance regime applied to companies and (iii) where asset management activity is carried out by another entity, that entity is subject to national regulation for the purposes of investor protection that consists of the component securities of the Index. Such securities must be issued by companies who generate at least 50% (25% for current components) of their revenues from uranium (including uranium mining, or mining projects that have the potential to generate at least 50% of their revenues from uranium when developed), or with at least 50% (greater than 0% for current components) of their revenues from nuclear energy infrastructure (including projects related to the development and commercialisation of nuclear fusion technology or molten salt nuclear reactor research; construction, engineering and maintenance of nuclear power facilities and nuclear reactors; or equipment and technology or services to the nuclear power industry).

For the avoidance of doubt, investment funds listed or traded on a regulated market and which fulfil the criteria for transferable securities and eligible assets under the UCITS Regulations in which the Fund may invest must track the spot price of uranium or invest in physical uranium.

The Index does not include utilities, power producers, or companies that would otherwise qualify based exclusively on their involvement in environmental sensors/detection products.

The Fund may not invest in companies that violate certain ESG criteria including companies which (i) have committed very severe norms violations, (ii) have greater than 0% revenue exposure to controversial weapons: anti-personnel mines, biological and chemical weapons, cluster munitions, depleted uranium, incendiary weapons, white phosphorus and nuclear weapons outside the non-proliferation treaty, or (iii) exceed certain thresholds of revenue exposure to various sectors including but not limited to civilian firearms, tobacco and oil sands and coal.

The Fund will seek the prior approval of the Central Bank should the Fund seek to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. In exceptional market circumstances, such as, but not limited to, a material price movement impacting the weighting of an underlying equity security of the Index or disruptive market conditions or extremely volatile markets, an underlying equity security of the Index which is held by the Fund may exceed the regulatory limits intra rebalancing dates which would result in the Fund seeking to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. Where it is not practical or cost efficient for the Fund to fully replicate the Index, the Manager may utilise an optimised sampling methodology and further detail in respect of this approach is set out in the section entitled Investment Approach below.

The Fund may invest up to 15% of its Net Asset Value in China H shares issued by companies incorporated in China listed on the Hong Kong stock exchange. The Fund may invest more than 20% of its Net Asset Value in emerging markets.

**The Fund may also (or alternatively) invest in financial derivative instruments (FDIs) which relate to the Index or constituents of the Index.** The FDIs which the Fund may use are futures, options (puts and calls), swaps (including equity swaps and swaps on the Index), currency forwards and non-deliverable forwards (a forward contract that does not require settlement on maturity) (NDFs). Futures and options may be used in order to equitise (use) cash balances pending investment of subscription proceeds or other cash balances held by the Fund to seek to reduce tracking error. Currency forwards and NDFs may be used to hedge currency exposures. The Fund may use FDIs as an alternative to direct investment in the constituents of the Index in order to avail of the related cost or liquidity advantages of FDIs which may, in certain circumstances, be available over the direct investment in the constituents of the Index. The Fund may also use American depository receipts (ADRs) or global depository receipts (GDRs) to gain exposure to equity securities instead of using physical securities in circumstances where, due to local restrictions or quota limitations, it is not possible to hold these directly or where it is otherwise advantageous to the Fund to do so.

The Fund may also invest in ancillary liquid assets and money market instruments which may include bank deposits, depository receipts, certificates of deposit, fixed or floating rate instruments (treasury bills), commercial paper, floating rate notes and freely transferable promissory notes. The ancillary liquid assets, money market instruments and FDI (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus. Investment in ancillary liquid assets and money market instruments may be utilised in a variety of circumstances, including but not limited to, situations such as managing total exposure to cash and borrowing on a short-term basis and in anticipation of participation in a rights offering.

## **2.3 Efficient Portfolio Management**

Investors should note that the Fund may invest in FDIs for efficient portfolio management or hedging purposes only. The Fund may use futures, swaps and currency forwards for the purpose of reducing risk associated with currency exposures within the Fund. This may on occasion lead to an increase in



the risk profile of the Fund or result in a fluctuation in the expected level of volatility. Please see the section entitled Risk Factors in the Prospectus in relation to such risks.

The Fund will employ the commitment approach to assess the Fund's global exposure and to ensure that the Fund's use of derivative instruments is within the limits specified by the Central Bank. Global exposure will be calculated daily. While the Fund may be leveraged through the use of the FDIs, any such leverage will not exceed 100% of the Fund's Net Asset Value.

Investment in FDIs is subject to the conditions and limits contained in the CBI UCITS Regulations. Subject to these limits, the Fund may invest in FDIs dealt on any of the regulated markets set out in the list of Markets in Appendix II to the Prospectus (and/or over the counter FDIs (OTCs)) which will be used for investment, efficient portfolio management and/or for hedging purposes.

The Company employs a risk management process which enables it to accurately measure, monitor and manage at any time the various risks associated with FDIs and their contribution to the overall risk profile of the portfolio of assets of the Fund. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments. The Fund will only invest in FDIs in accordance with the risk management policy prepared and submitted to the Central Bank in accordance with the Central Bank requirements.

The Fund may invest in FDIs dealt OTC provided that the counterparties to OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

Position exposure to the underlying assets of FDIs or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the CBI UCITS Regulations.

In addition, the Fund may enter into stocklending, repurchase and reverse repurchase agreements for efficient portfolio management purposes only subject to the conditions and the limits set out in the CBI UCITS Regulations. Investors are referred to the section entitled Use of Financial Derivative Instruments and Efficient Portfolio Management in the Prospectus.

## **2.4 Securities Financing Transactions**

While the Company may enter into securities financing transactions and repurchase agreements (SFTs) (as defined under Article 3 (11) of Regulation (EU) 2015/2365) (the SFTR), it is not anticipated that the Fund will enter into any SFTs. However, in the event that the Fund contemplates entering into such transactions, investors will be provided with further details of the structure and use of such transactions, together with any other information required to be disclosed to investors in accordance with Articles 13 and 14 of the SFTR. The Supplement will be updated accordingly in the event that the Fund will enter into any SFTs.

## **3 INVESTMENT APPROACH**

In order to seek to achieve its investment objective, the investment policy of the Fund is to use a replication strategy by investing directly in the underlying securities that consists of the component securities of the Index. The Fund will be 'passively' managed.

Where full replication is not possible, the Fund will invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities that generally replicate the Index. However, under various circumstances, it may not be practicable and possible to invest in such equity

securities in proportion to their weightings in the Index. It is not expected that the Fund would invest in securities outside the Index under normal circumstances. In extraordinary circumstances the Fund may use such other techniques including, but not limited to, representative or “optimised” sampling to gain access to stocks which provide economic characteristics similar to the security in the Index. There also may be instances, for example if one or more securities are suspended from trading or in situations where the Fund is forced to liquidate particular securities, in which the Manager may choose to overweight a security in the Index, purchase securities not in the Index which the Manager believes are appropriate to substitute for certain securities in the Index or utilise other investment techniques in seeking to replicate, before fees and expenses, the price and yield performance of the Index. The Fund may sell securities that are represented in the Index in anticipation of their removal from the Index or purchase securities not represented in the Index in anticipation of their addition to the Index.

Anticipated tracking error is based on the expected volatility of differences between the returns of the Fund and the returns of the Index. For a physically replicating ETF, one of the primary drivers of tracking error is the difference between the Fund’s holdings and Index constituents. Cash management, trading costs from rebalancing and withholding tax or stamp duty suffered by the Fund on any income received from its Investments can also have an impact on tracking error as well as the return differential between the ETF and the benchmark Index. The impact can be either positive or negative depending on the underlying circumstances. The anticipated tracking error of the Fund is not a guide to its future performance. The annualised tracking error envisaged is not anticipated to exceed 0.20% under normal market conditions.

#### 4 INFORMATION ON THE INDEX

The Index is a global index that tracks the performance of the global uranium and nuclear energy infrastructure segments that includes companies with:

- at least 50% (25% for current components) of their revenues from uranium (including uranium mining, or mining projects that have the potential to generate at least 50% of their revenues from uranium when developed)
- at least 50% (greater than 0% for current components) of their revenues from nuclear energy infrastructure (including projects related to the development and commercialization of nuclear fusion technology or molten salt nuclear reactor research; construction, engineering and maintenance of nuclear power facilities and nuclear reactors; or equipment and technology or services to the nuclear power industry).

The Index also allows for the inclusion of closed-ended exchange-listed funds that track the spot price of uranium or invest in physical uranium. For clarity, the Index does not include utilities, power producers, or companies that would otherwise qualify based exclusively on their involvement in environmental sensors/detection products.

The Index excludes companies that (i) have committed very severe norms violations, (ii) have greater than 0% revenue exposure to the following controversial weapons: anti-personnel mines, biological and chemical weapons, cluster munitions, depleted uranium, incendiary weapons, white phosphorus and nuclear weapons outside the non-proliferation treaty, (iii) exceed certain thresholds of revenue exposure to various sectors including but not limited to civilian firearms, tobacco, and oil sands and coal

The Index Provider utilises ESG data provided by Institutional Shareholder Services group of companies (ISS). ISS provides the Index Provider with high-quality data, analytics and insight, including country ESG research and ratings enabling the Index Provider to identify material social and environmental risks and opportunities. The Fund may invest into companies that are not covered by ISS or for which relevant data fields have not been collected by ISS may be eligible for inclusion.

As outlined in the Index methodology, which is available on the Index Providers website, norm's-based violations of a particular activity are measured by reference to the Case Severity Indicator. The Case Severity Indicator is a measure of the reported risk or impact on society or the environment and takes into account the degree of corporate involvement. The 'Very Severe' value identifies instances where the company is reportedly causing/contributing to critical adverse impact. The determination of value is guided by a systematic evaluation of key factors, such as credibility of information, status of practice and impact, problematic strategy/policy, recurrence, and scope of impact. Issue/theme specific thresholds apply.

For inclusion in the Index, components must meet the following size and liquidity requirements:

- Only companies with a free-float (or shares available to foreign investors) of 10%.
- Full market capitalisation exceeding 150.0m USD.
- Three-month average-daily-trading volume of at least 1.0m USD at the current review and also at the previous two reviews.
- At least 250,000 shares traded per month over the last six months at the current review and at the previous two reviews.

Current Index constituents are subject to the following liquidity requirements:

- Only companies with a free-float (or shares available to foreign investors) of 5%.
- Full market capitalisation exceeding 75.0m USD.
- Three-month average-daily-trading volume of at least 0.2m USD at the current review and also at the previous two reviews.
- In addition, a three-month average-daily-trading volume of at least 0.6m USD at the current review or at one of the previous two reviews, or at least 200,000 shares traded per month over the last six months at the current review and at the previous two reviews.

Components are weighted in proportion to their free-float adjusted market capitalisation subject to a maximum security weight. The Index employs a capping scheme to ensure diversification by assigning weights to components which cannot exceed 15% for any single stock on each rebalancing date, with 10% cap for the second-largest component on each rebalancing date and 8% for the other components of the Index on each rebalancing date. Weights for components with less than 50% of their revenues from the uranium and nuclear energy infrastructure segments are capped at 5%. The Index also applies liquidity overlay capping, whereby a weight of a component in the Index cannot exceed the ratio of its 3-Month Average Daily Traded Value in USD to \$500 million. In the event that a weight is greater than the maximum weight cap on each rebalancing date, the excess weight shall be redistributed proportionally across all other uncapped constituents. This process is repeated until no component has weights exceeding the respective maximum weight.

The reviews for the Index are based on the closing data on the last business day in February, May, August and November. If a company does not trade on the last business day in February, May, August or November, the last available price for such company will be used. The Index Provider has defined a "business day" to mean any day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in Frankfurt.

The Index data (e.g. new number of shares, new free-float factors and new weighting cap factors) is announced on the second Friday in a quarter-end month (i.e. March, June, September and December). The weighting cap factors are based on closing data of the Wednesday prior to the second Friday in a quarter-end month (i.e. March, June, September and December).

Changes to the Index will be implemented and based on the closing prices of the third Friday of every quarter-end month (i.e. March, June, September and December). If the third Friday is not a business day, the review will take place on the last business day before the third Friday of such quarter-end month. If a company does not trade on the third Friday of a quarter-end month, then the last available price for such company will be used. Changes become effective on the next business day

The target coverage of the Index is at least 90% of the free-float market capitalisation of the investable universe with at least 25 companies.

The following steps will be followed and form the Index review procedure:

- 1 All stocks in the investable universe are sorted in terms of free-float market capitalisation in descending order
- 2 Stocks covering the top 85% of the free-float market capitalisation of the investable universe qualify for selection.
- 3 Existing components between the 85th and 98th percentiles also qualify for the Index.
- 4 If the coverage is still below 90% or the number of components in the Index is still below 25, the largest remaining stocks will be selected until coverage of at least 90% is reached and the number of stocks equals 25.
- 5 In case the number of eligible companies is below 25, additional companies are added by the Index Provider based on the next largest eligible companies that have more than 0% of their revenues from the nuclear energy infrastructure segment until the number of stocks equals 25.
- 6 If the Index includes an exchange-listed fund, a second fund will not be added to the Index even if it falls within the top 85% of the free-float market capitalisation of the investable universe.

For all corporate events that result in a stock deletion from the Index, the deleted stock will be replaced with the highest ranked non-component on the most recent selection list immediately only if the number of components in the Index would drop below 20. The replacement stock will be added at the same weight as the deleted stock. Only in case the number of components drops below its minimum due to a merger of two or more components, the replacement stock will be added with its uncapped free-float market capitalisation weight. In all other cases, i.e. there is no replacement, the additional weight resulting from the deletion will be redistributed proportionally across all other constituents.

The information on the Index contains a summary of the principal features of the Index and is not a complete description of the Index. In case of inconsistency between the Information on the Index contained in this summary and the complete description of the Index which can be found on the Index Provider's website, the complete description of the Index prevails. Information on the Index appears on the website identified in the section entitled "Index Provider". Such information may change from time to time and details of the changes will appear on that website.

## 5 INDEX PROVIDER

The Index is published by MarketVector Indexes™ GmbH (the **Index Provider**), an affiliated company of the Manager. The Index Provider has contracted with Solactive AG to maintain and calculate the Index. The Index Provider does not sponsor, endorse, or promote the Fund and bears no liability with respect to the Fund or any security. The Index Provider will notify the Fund of material errors in the Index via the Index Provider's website. The Index Provider is an authorised benchmark administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation.

In accordance with Central Bank requirements, the Company is required to provide details of the Index Provider's website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company has no responsibility for the Index Provider's website and is not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof. Further information in relation to the Index may be found on the Index Provider's website, [www.marketvector.com](http://www.marketvector.com).

## 6 INVESTMENT RESTRICTIONS

The general investment restrictions as set out in the Prospectus shall apply. The Fund may not invest more than 10% of its Net Asset Value in open-ended collective investment schemes.

The Fund may not invest less than 51% of its Net Asset Value in equity securities which constitute "equity participation" within the meaning of section 2, Article 8 of the German Investment Tax Act (Investmentsteuergesetz). Equity participation in this context consists of shares in corporations traded or admitted for trading on a regulated market or multilateral trading facility (MTF) considered as such by the European Securities and Markets Authority (ESMA). The actual equity participation ratios of target investment funds can be taken into account.

There may be instances where the weighting of any constituent security of the Index could cause the Fund to breach the investment restrictions set out in the Prospectus. If such an event occurs, it is intended that the Fund will purchase other assets, the effect of which will seek to maintain, so far as is possible, the same economic exposure to and the same weighting of the security of that issuer in the Index without breaching its investment restrictions.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders.

## 7 BORROWING

The Fund may borrow money in an amount up to 10% of the market value of its net assets at any time for the account of any Fund and the Depositary may charge the assets of the Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Fund may acquire currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of the Regulations provided that the offsetting deposit is denominated in the Base Currency of the Fund and equals or exceeds the value of the foreign currency loan outstanding.

## 8 RISK FACTORS

The general risk factors as set out in the section entitled Risk Factors in the Prospectus apply.

Investors in the Fund should be willing to accept a high degree of volatility in the price of the Fund's Shares and the possibility of significant losses. An investment in the Fund involves a substantial degree of risk. Therefore, you are advised to consider carefully the following risks before investing in the Fund.

An investment in the Fund may be subject to risks which include, among others, material transaction cost from rebalancing activity and fluctuations in the value of securities held by the Fund due to market and economic conditions or factors relating to specific issuers.

The value of investments and the income from them, and therefore the value of and income from the Shares can go down as well as up and an investor may not get back the amount invested. The Fund's exposure is based on the performance of the Index securities which, in turn, is exposed to general market movements (negative as well as positive).

Certain additional risks may also be associated with the Fund, including, without limitation:

### **8.1 Risk of Investing in Natural Resources Companies**

The Fund will be sensitive to, and its performance will depend to a greater extent on, the overall condition of the natural resources sector. Investments in natural resources and the natural resources sector can be significantly affected by events relating to these industries, including international political and economic developments, embargoes, tariffs, inflation, weather and natural disasters, limits on exploration, often rapid changes in the supply and demand for natural resources and other factors. The Fund's portfolio securities may experience substantial price fluctuations as a result of these factors, and may move independently of the trends of operating companies. Natural resources companies may be adversely affected by changes in government policies and regulations, technological advances and/or obsolescence, environmental damage claims, energy conservation efforts, the success of exploration projects, limitations on the liquidity of certain natural resources and commodities and competition from new market entrants. Changes in general economic conditions, including commodity price volatility, changes in exchange rates, imposition of import controls, rising interest rates, prices of raw materials and other commodities, depletion of resources and labour relations, could adversely affect the Fund's portfolio companies.

### **8.2 Risk of Investing in the Basic Materials Sector**

To the extent that the Fund continues to be concentrated in the basic materials (exploration/production of industrial metals) sector, the Fund will be sensitive to changes in, and its performance will depend to a greater extent on, the overall condition of the basic materials sector. Companies engaged in the production and distribution of basic materials may be adversely affected by changes in world events, political and economic conditions, energy conservation, environmental policies, commodity price volatility, changes in exchange rates, imposition of import controls, increased competition, depletion of resources and labour relations.

### **8.3 Risk of Investing in Nuclear Industry**

The Fund will be sensitive to, and its performance will depend to a greater extent on, the overall condition of nuclear energy companies. Nuclear energy companies may face considerable risk as a result of, among other risks, incidents and accidents, breaches of security, ill-intentioned acts of terrorism, air crashes, natural disasters (such as floods or earthquakes), equipment malfunctions or mishandling in storage, handling, transportation, treatment or conditioning of substances and nuclear materials. Such events could have serious consequences, especially in case of radioactive contamination and irradiation of the environment, for the general population, as well as a material, negative impact on the Fund's portfolio companies and thus the Fund's financial situation.

Nuclear activity is also subject to particularly detailed and restrictive regulations, with a scheme for the monitoring and periodic re-examination of operating authorization, which primarily takes into account nuclear safety, environmental and public health protection, and also national security considerations (terrorist threats in particular). These regulations and any future regulations may be subject to significant tightening by national and international authorities. This could result in increased operating costs, which would have a negative impact on the Fund's portfolio companies and may cause operating businesses related to nuclear energy to become unprofitable or impractical to operate. Furthermore, uranium prices are subject to fluctuation. The price of uranium has been and will continue to be affected by numerous factors beyond the Fund's control. With respect to uranium, such factors include the demand for nuclear power, political and economic conditions in uranium producing and consuming countries, uranium supply from secondary sources and uranium production levels and costs of production. In addition, nuclear energy companies are subject to competitive risk associated with the prices of other energy sources, such as fossil fuels and renewable energy generation. Consumers of nuclear energy may have the ability to switch between nuclear energy and other energy sources and, as a result, during periods when competing energy sources are less expensive, the revenues of nuclear energy companies may decline with a corresponding impact on earnings of nuclear energy companies in which the Fund invests.

#### **8.4 Risk of Investing in Construction Industry**

The Fund may invest in companies engaged in the energy infrastructure sector. Companies engaged in the energy infrastructure sector may be significantly affected by changes in demand for their specific products or services, government spending, zoning laws, general economic conditions, interest rates, commodity prices which may impact on the volume of such commodities that are transported, processed, stored or distributed, consumer confidence and spending, taxation, demographic patterns, real estate values, labour relations and government regulations. Such companies are also at risk from technical obsolescence and delays in modernisation. Companies engaged in the energy infrastructure sector may also be significantly affected by environmental clean-up costs and catastrophic events such as earthquakes, hurricanes, tornadoes and terrorist acts.

#### **8.5 Risk of Investing in Medium-Capitalisation Companies**

Medium-capitalisation companies may be more volatile and more likely than large-capitalisation companies to have narrower product lines, fewer financial resources, less management depth and experience and less competitive strength. In addition, these companies often have greater price volatility, lower trading volume and less liquidity than larger, more established companies. Returns on investments in securities of medium capitalisation companies could trail the returns on investments in securities of large-capitalisation companies.

#### **8.6 Risk of Investing in the Energy Sector**

The energy sector includes companies engaged in the exploration, production and distribution of energy sources and companies that manufacture or provide related equipment or services. Companies operating in the energy sector are subject to risks including, but not limited to, economic growth, worldwide demand, political instability in the regions that the companies operate, government regulation stipulating rates charged by utilities, interest rate sensitivity, oil price volatility and the cost of providing the specific utility services. In addition, these companies are at risk of civil liability from accidents resulting in injury, loss of life or property, pollution or other environmental damage claims and risk of loss from terrorism and natural disasters.

## **8.7 Risk of Investing in the Utilities Sector**

The performance of utility companies may be affected by (without limitation) the following factors: supply and demand factors, escalating demand for natural resources, increases in fuel costs, competition within the industry, government regulation on privatisation, pricing and supply, reduction of carbon emissions and other intervention, costs of complying with regulations, rising costs of financing capital construction, taxes, public scrutiny, natural disasters and other environmental conditions, the ability to recover payments due from customers and management of bad debt (especially in uncertain economic conditions). The utilities sector is subject to significant governmental regulations and review. Companies or issuers with high carbon intensity or high switching costs associated with the transition to low carbon alternatives, may be more impacted by climate transition risks. There may also be increased impacts on the value of the investments in the Fund as a result of geographical concentration in locations where the value of the investments in the Fund may be more susceptible to adverse physical climate events, as well as social and governance factors.

## **8.8 Risk of Investing in Small- and Medium-Capitalisation Companies**

The securities of small- and medium-capitalisation companies may be more volatile and less liquid than the securities of large companies. As securities of small- and medium-capitalisation companies may experience more market price volatility than securities of larger companies, the net asset value of any fund which invests in small- and medium-capitalisation companies (such as the Fund) may reflect this volatility. Small- and medium-capitalisation companies, when compared with larger companies, may have a shorter history of operations, fewer financial resources, less competitive strength, may have a less diversified product line, may be more susceptible to market pressure and may have a smaller market for their securities. Investment in small- and medium-capitalisation companies may involve comparatively higher investment costs and accordingly investment in the Fund should be viewed as a long term investment. The Fund may however dispose of an investment made by it within a relatively short period of time, for example, to meet requests for redemption of Shares.

## **8.9 Risk of Investing in Emerging Markets Issuers**

Investments in securities of emerging market issuers are exposed to a number of risks that may make these investments volatile in price or difficult to trade. Emerging markets are more likely than developed markets to experience problems with the clearing and settling of trades, as well as the holding of securities by local banks, agents and depositories. Political risks may include unstable governments, nationalisation, restrictions on foreign ownership, laws that prevent investors from getting their money out of a country and legal systems that do not protect property rights as well as the laws in developed countries. Market risks may also include economies that concentrate in only a few industries, securities issues that are held by only a few investors, liquidity issues and limited trading capacity in local exchanges and the possibility that markets or issues may be manipulated by foreign nationals who have inside information.

## **8.10 Special Risk Considerations of Investing in Chinese Issuers**

Investments in securities of Chinese issuers, including issuers located outside of China that generate significant revenues from China, involve risks and special considerations not typically associated with investments in the securities markets of developed countries. These risks, include, among others, (i) more frequent (and potentially widespread) trading suspensions and government interventions with respect to Chinese issuers resulting in lack of liquidity and in price volatility, (ii) currency revaluations and other currency exchange rate fluctuations or blockage, (iii) the nature and extent of intervention by the Chinese government in the Chinese securities markets, whether such intervention will continue and the impact of such intervention or its discontinuation, (iv) the risk of nationalisation or expropriation of assets, (v) the risk that the Chinese government may decide not to continue to support economic reform



programs, (vi) limitations on the use of brokers, (vii) higher rates of inflation, (viii) greater political, economic and social uncertainty, (ix) market volatility caused by any potential regional or territorial conflicts or natural disasters and (x) the risk of increased trade tariffs, embargoes, sanctions, investment restrictions and other trade limitations. Certain securities are, or may in future become restricted, and the Fund may be forced to sell such restricted securities and incur a loss as a result. In addition, the economy of China differs, often unfavourably, from the global developed economy in such respects as structure, general development, government involvement, wealth distribution, rate of inflation, growth rate, interest rates, allocation of resources and capital reinvestment, among others. The Chinese central government has historically exercised substantial control over virtually every sector of the Chinese economy through administrative regulation and/or state ownership and actions of the Chinese central and local government authorities continue to have a substantial effect on economic conditions in China. In addition, previously the Chinese government has from time to time taken actions that influence the prices at which certain goods may be sold, encourage companies to invest or concentrate in particular industries, induce mergers between companies in certain industries and induce private companies to publicly offer their securities to increase or continue the rate of economic growth, control the rate of inflation or otherwise regulate economic expansion. The Chinese government may do so in the future as well, potentially having a significant adverse effect on economic conditions in China.

Investors should note that certain auditing and accounting practices within the People's Republic of China may not be of a similar standard to those which would be expected in a more developed economy and may therefore impact the quality of information provided to third parties seeking to invest in Chinese domiciled companies. In recent years, certain auditing practices have resulted in an inability of entities (such as the US Public Company Accounting Oversight Board) to inspect audit work papers in China which may give rise to concerns regarding the ability to promote and enforce disclosure standards which would be expected of developed market companies and the availability of reliable financial information on which to base investment decisions. Ineffective or otherwise inadequate internal and external audit functions may increase the likelihood that fraud and other issues within a company are not detected and/or that material information used as part of a company's valuation and/or the Manager's investment decision making is inaccurate. Investors should note that the Fund's rights to seek redress may, as a matter of law or practicality, be limited and the rights of the Fund as an investor in a Chinese company may be limited.

#### **8.10 Special Risk Considerations of Investing in Asian Issuers**

The Fund may invest in securities issued by Asian issuers and, accordingly, may be subject to the risk of investing in such issuers. Investment in securities of issuers in Asia involves risks and special considerations not typically associated with investment in the securities markets of developed countries. Certain Asian economies have experienced over-extension of credit, currency devaluations and restrictions, high unemployment, high inflation, decreased exports and economic recessions. Economic events in any one Asian country can have a significant effect on the entire Asian region as well as on major trading partners outside Asia, and any adverse effect on some or all of the Asian countries and regions in which the Fund invests. The securities markets in some Asian economies are relatively underdeveloped and may subject the Fund to higher action costs or greater uncertainty than investments in more developed securities markets. Such risks may adversely affect the value of the Fund's investments.

#### **8.11 Special Risk Considerations of Investing in Canadian Issuers**

Investments in securities of Canadian issuers, involve risks and special considerations not typically associated with investments in the European securities markets. The Canadian economy is very dependent on the demand for, and supply and price of, natural resources. The Canadian market is relatively concentrated in issuers involved in the production and distribution of natural resources. There

is a risk that any changes in natural resources sectors could have an adverse impact on the Canadian economy. Additionally, the Canadian economy is heavily dependent on relationships with certain key trading partners, including the United States, countries in the European Union and China. Because the United States is Canada's largest trading partner and foreign investor, the Canadian economy is dependent on and may be significantly affected by the U.S. economy. Trade agreements may further increase Canada's dependency on the U.S. economy. Uncertainty as to the future of such trade agreements may cause a decline in the value of the Fund's Shares. Past periodic demands by the Province of Quebec for sovereignty have significantly affected equity valuations and foreign currency movements in the Canadian market and such demands may continue to have this effect in the future. In addition, certain sectors of Canada's economy may be subject to foreign ownership limitations. This may negatively impact the Fund's ability to invest in Canadian issuers and to track the Index.

## **8.12 Foreign Currency Risk**

In the event that the Fund's assets are invested in securities denominated in currencies other than the Base Currency, all or a portion of the proceeds received by the Fund from its investments and/or the revenues received from such underlying issuer will generally not be in the Base Currency. The Fund's exposure to foreign currencies and changes in the value of foreign currencies versus the Base Currency may result in reduced returns for the Fund. Moreover, the Fund may incur costs in connection with conversions between the Base Currency and foreign currencies. The value of an emerging market country's currency may be subject to a high degree of fluctuation. This fluctuation may be due to changes in interest rates, investors' expectations concerning inflation and interest rates, the emerging market country's debt levels and trade deficit, the effects of monetary policies issued by foreign governments, central banks or supranational entities, the imposition of currency controls or other national or global political or economic developments. The economies of certain emerging market countries can be significantly affected by currency devaluations. Certain emerging market countries may also have managed currencies which are maintained at artificial levels relative to the Base Currency rather than at levels determined by the market. This type of system could lead to sudden and large adjustments in the currency, which in turn, can have a negative effect on the Fund and its investments.

## **8.13 Liquidity Risk**

The Company provides daily liquidity. Under normal circumstances, all positions can be sold within a very short period of time without realising significant losses. However, unforeseen circumstances can give rise to abnormal conditions which could cause the Company to face liquidity risk. It could be unable to sell its positions as a result. The degree to which the securities in which the Fund invests can be traded affects the level of the actual buy and sell prices. This could mean that securities cannot be sold or can only be sold at a substantially lower price than the valuation assigned and the Fund may be unable to free up adequate funds to satisfy its purchase obligations. The bid/ask prices can deviate from the asset value of the share in the Fund, as a result of which the performance may deviate from that of the underlying Index or Indices, certainly in the event of limited liquidity on the market. To limit this risk, investments are only made in listed securities. In exceptional circumstances, if the purchase of shares in the Company is suspended for instance, there could be a risk that the investor may be unable to sell their investment at the desired moment or for a reasonable price. Given the open-ended character of the Company, it could be confronted with a high number of exits which would mean investments would have to be liquidated under potentially unfavourable conditions. This would negatively impact the value of the share. As described in this Prospectus, the purchase of shares may be (temporarily) suspended under certain circumstances.

#### 8.14 Risk of Issuer-Specific Changes

The value of individual securities or particular types of securities in the Fund's portfolio can be more volatile than the market as a whole and can perform differently from the value of the market as a whole, which may have a greater impact if the Fund's portfolio is concentrated in a country, group of countries, region, market or asset class. The value of securities of smaller issuers can be more volatile than that of larger issuers. A change in the financial condition, market perception or the credit rating of an issuer of securities included in the Index may cause the value of its securities to decline.

#### 8.15 Concentration Risk

The Fund's assets may be concentrated in a particular sector or sectors or industry or group of industries to the extent the Index concentrates in a particular sector or sectors or industry or group of industries. Accordingly, the Fund may be subject to the risk that economic, political or other conditions that have a negative effect on a particular industry or sector will negatively impact the Fund to a greater extent than if the Fund's assets were invested in a wider variety of sectors or industries.

The Fund may be particularly vulnerable to this risk because the Index is comprised of securities of a very limited number of issuers. The Fund's assets may be concentrated in a small number of stocks and/or may be concentrated in particular sectors which may subject the Fund to more risk than investments in a diverse group of companies and sectors.

#### 8.16 Portfolio Turnover Risk

It is anticipated that the Fund will have high portfolio turnover in seeking to track the Index, which will result in increased transaction costs to the Fund, including brokerage commissions, dealer mark-ups and other transaction costs on the sale of the securities and on reinvestment in other securities.

### 9 DIVIDEND POLICY

It is not proposed that the Directors will declare a dividend in respect of the Fund. Full details of any change to the Fund's dividend policy will be provided in an updated Supplement and all Shareholders will be notified in advance.

### 10 KEY INFORMATION FOR PURCHASING AND SELLING

|                      |   |
|----------------------|---|
| <b>Base Currency</b> | US Dollar (USD)   |
| <b>Business Day</b>  | means every day other than a Saturday or Sunday (or such other day(s) as the Directors may from time to time determine and notify in advance to Shareholders).  |
| <b>Dealing Day</b>   | In general, each Business Day will be a Dealing Day. However, certain Business Days will not be Dealing Days where, in the sole determination of the Manager: (i) markets on which the Fund's investments are listed or traded, or markets relevant to the Index are closed, and/or (ii) there is a public holiday in the jurisdiction in which the Manager or its delegate(s), if applicable, is or are based; provided there is at least one Dealing Day per fortnight. The Dealing Days for the Fund are available at <a href="http://www.vaneck.com">www.vaneck.com</a> . |

|                         |   |
|-------------------------|---|
| <b>Dealing Deadline</b> | 4:00 p.m. (Irish time) on the Business Day prior to the relevant Dealing Day.   |
| <b>Settlement Date</b>  | In the case of subscription(s), within 2 Business Days of the relevant Dealing Day.<br><br>In the case of repurchases, within 3 Business Days of the relevant Dealing Day.    |
| <b>Valuation Point</b>  | 11:00 p.m. (Irish time) on the relevant Dealing Day.  |
| <b>Website</b>          | Information on portfolio composition and details of intra-day portfolio value ( <b>iNAV</b> ) are set out on the website - <a href="http://www.vaneck.com">www.vaneck.com</a> |

### Description of the Shares

|                                     |  |
|-------------------------------------|--|
| <b>Share Class</b>                  | A  |
| <b>ISIN</b>                         | IE000M7V94E1   |
| <b>Initial Offer Period</b>         | The Initial Offer Period shall commence at 9:00 a.m. (Irish time) 6 January 2023 and close at 5.00 p.m. (Irish time) on 5 July 2023 as may be shortened or extended by the Directors and notified to the Central Bank. |
| <b>Initial Price</b>                | Approximately USD 20, plus an appropriate provision for Duties and Charges, or such other amount as determined by the Manager and communicated to investors prior to investment.                                       |
| <b>Creation Unit</b>                | 50,000 Shares or such other amount as may be determined by the Directors at their discretion.  |
| <b>Minimum Initial Subscription</b> | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Initial Subscription.  |
| <b>Minimum Holding</b>              | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Holding.   |

## 11 CHARGES AND EXPENSES

The following fees and expenses will be incurred by the Company on behalf of the Fund and will affect the Net Asset Value of the relevant Class of Share of the Fund:

|                    |   |
|--------------------|---|
| <b>Share Class</b> | A   |
| <b>Total Fee</b>   | Up to 0.55% per annum or such lower amount as may be advised to Shareholders from time to time. |

The Total Fee, a percentage of the Net Asset Value of the relevant Class of Shares (plus VAT, if any), is payable by the Company out of the Fund Assets to the Manager. The Total Fee will accrue on each day and will be calculated on each Dealing Day and paid monthly in arrears. The Total Fee will cover all of the ordinary fees, operating costs and expenses payable by the Fund including fees and expenses paid to the Manager, all ordinary costs and expenses connected with the management and operating activities of the Fund, including investment management and advisory fees, Director's fees, registration, transfer agency, administration and custody fees, registrar fees, regulators and auditors and certain legal expenses of the Company. The Total Fee does not include extraordinary costs and expenses (including but not limited to transaction charges, stamp duty or other taxes on the investments of the Company including duty charges for portfolio re-balancing, withholding taxes, commissions and brokerage fees incurred with respect to the Company's investments, interest on any non-overdraft credit facility and charges incurred in negotiating, effecting or varying the terms of such facility, any commissions charged by intermediaries in relation to an investment in the Fund and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the Company all of which will be paid separately out of the assets of the Fund). The cost of establishing the Fund will be borne by the Manager.

This section entitled Charges and Expenses should be read in conjunction with the sections entitled General Charges and Expenses and Management Charges and Expenses in the Prospectus.

## **12 REGISTRATION FOR PUBLIC DISTRIBUTION AND LISTING**

Application is expected to be made to register the Fund for public distribution in various countries.

Application will be made to list the Shares on Euronext and other stock exchanges. Through the operation of such a secondary market, persons who are not Authorised Participants or not able or willing to subscribe for and redeem Creation Units will be able to buy Shares from or sell Shares to other retail investors or market makers, broker/dealers, or other Authorised Participants at prices which should approximate, after currency conversion, the Net Asset Value of the Shares.

## **13 HOW TO BUY AND SELL SHARES**

Investors can buy and sell Shares on the secondary market as described above in accordance with the procedures set out in the section entitled Secondary Market in the Prospectus.

Investors can otherwise subscribe for or redeem Creation Units in accordance with the procedures set out in the Prospectus.

## **14 SUSTAINABLE FINANCE DISCLOSURE**

The Manager has categorised the Fund as meeting the provisions set out in Article 6 of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector ("**SFDR**") and does not follow a dedicated ESG investment strategy. The Fund does not have sustainable investment as its investment objective, nor does it promote environmental or social characteristics.

### **14.1 Sustainability Risks**

Sustainability risk is the risk that the value of an investment will decline as a result of an environmental, social or governance (ESG) event or circumstance. Ecological events include climate change, scarcity of natural resources and pollution. Social events may include labour issues and product liability. Governance can include themes such as shareholder rights, business ethics, diversity and executive

remuneration. Sustainability risks can arise in all kinds of forms. With regard to the theme of climate, for example, there is a distinction between transition risks and physical risks, whereby transition risks can be divided into legal and regulatory risks, technological risks, market risks and reputation risks. In addition, the impact of sustainability risk has various scopes, including company-specific, sector-specific and on country level. The occurrence of a sustainability risk results in other (financial) risks manifesting. This can negatively affect the value of the investment.

Concrete examples of sustainability risks for the Fund are: a company has an overly generous remuneration policy or a remuneration policy that is inconsistent with the interests of the shareholders. Also, a company's reputation can deteriorate as a result of negative publicity about environmental and social impacts of possible nuclear disasters, improper nuclear waste disposal, externalities of uranium mining or labour issues that can cause the value of its stock to decline. The expected impact of sustainability risks on the return depends on the type of sustainability risk that materializes. For developed and emerging markets equity portfolios, this expected impact is generally viewed as significant.

## **14.2 Sustainability Risk Features**

The Fund does not promote ESG characteristics. The Fund has a passive investment policy whereby the Fund aims to follow the Index as closely as possible. The Index has no specific sustainability characteristics. The Fund therefore does not have any specific sustainability characteristics as well. In order to fulfil its responsibility as a responsible investor and as a signatory to the United Nations Principles for Responsible Investments, the Manager applies the measures set out below.

### **Exclusions**

Exclusions apply to this Fund as further outlined in section 2.2 of this Supplement and section 10 of the Prospectus.

### **Voting**

The Manager can exercise his voting rights at shareholders' meetings, according to the Proxy Voting Policy. To assist in its responsibility for voting proxies and the overall voting process, the Manager has engaged an independent third party proxy voting specialist, Glass Lewis Europe Limited, which takes also Environmental, Social and Governance factors into account when casting votes.

In particular, the Glass Lewis ESG voting policy is applied:

- On the Environmental side, within others, measures in favour of increased disclosure of a company's environmental risk through company-specific disclosure as well as compliance with international environmental conventions and adherence to environmental principles will be supported. Similarly, the ESG Policy will support proposals requesting companies develop greenhouse gas emissions reduction goals, comprehensive recycling. The ESG Policy will evaluate a company's impact on the environment, in addition to the regulatory risk a company may face by not adopting environmentally responsible policies. Further, the ESG Policy will consider voting against directors for not appropriately overseeing environmental risk.
- On the Social side, the ESG Policy will support several proposals, including but not limited to requesting that a company develop sustainable business practices, such as animal welfare policies, human rights policies, and fair lending policies. Furthermore, the ESG Policy will also generally support enhancing the rights of workers, as well as considering the communities and broader constituents in the areas in which companies do business.

- On the Governance side, the ESG Policy supports, within other aspects, increased shareholder participation and access to a company and its board of directors. Accordingly, the ESG Policy will vote in favour of initiatives that seek to enhance shareholder rights, such as the introduction of majority voting to elect directors, the adoption and amendment of proxy access bylaws, the elimination/reduction of supermajority provisions, the declassification of the board, the submission of shareholder rights' plans to a shareholder vote, and the principle of one share, one vote.

## **Engagement**

The Manager appointed a third-party engagement specialist, Glass Lewis Europe Limited, for the passive equity funds managed by VanEck Asset Management B.V. The engagement provider determines the engagement approach in accordance with its engagement policy and based on its engagements' priorities.

### **14.3 Taxonomy disclosure**

The underlying investments of the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

## **15 OTHER INFORMATION**

New Funds may be created from time to time by the Directors with the prior approval of the Central Bank in which case further Supplements incorporating provisions relating to those Funds will be issued by the Company.

The names of the Funds currently approved by the Central Bank are listed in the Global Addendum.

## SCHEDULE 1

### DISCLAIMER

The Index is the exclusive property of MarketVector Indexes GmbH ("**MarketVector**"), a wholly owned subsidiary of the Manager, which has contracted with Markit Group Limited to maintain and calculate the Index. Markit Group Limited uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards MarketVector, Markit Group Limited has no obligation to point out errors in the Index to third parties. The Fund is not sponsored, endorsed, sold or promoted by MarketVector and MarketVector makes no representation regarding the advisability of investing in the Fund. The Index is calculated weekdays between 01:00 and 22:40 (CET) and the Index values are disseminated to data vendors every 15 seconds on days when the US equity market is open for trading. The Index is disseminated in USD.

In accordance with Central Bank requirements, the Company and the Fund are required to provide details of the Index Provider's website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company and the Fund have no responsibility for the Index Provider's website and are not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof.

The indicative optimised portfolio value/intra-day portfolio value is calculated by S&P Global Ltd.



**VANECK UCITS ETFs plc**

**Supplement dated 20 December 2024**

**for**

**VanEck Oil Services UCITS ETF**

This Supplement contains specific information in relation to the **VanEck Oil Services UCITS ETF** (the **Fund**), a sub-fund of VanEck UCITS ETFs plc (the **Company**), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank pursuant to the Regulations.

**This Supplement forms part of, may not be distributed unless accompanied by (other than to prior recipients of the Prospectus of the Company dated 20 December 2024, as may be amended, supplemented, or modified from time to time), and should be read in conjunction with the Prospectus for the Company.**

THIS DOCUMENT IS IMPORTANT. YOU SHOULD NOT PURCHASE SHARES IN THE FUND DESCRIBED IN THIS SUPPLEMENT UNLESS YOU HAVE ENSURED THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT AND THE RISKS INVOLVED AND ARE SATISFIED THAT THE INVESTMENT IS SUITED TO YOUR CIRCUMSTANCES AND OBJECTIVES, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU ARE RECOMMENDED TO TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR.

The Directors of the Company whose names appear in the section entitled **Directors of the Company** in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

**Shares purchased on the secondary market cannot usually be sold directly back to the Fund. Investors must buy and sell Shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value when buying Shares and may receive less than the current Net Asset Value per Share when selling them.**

**An investment in the Fund, whose securities comprise holdings in emerging markets, should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors.**

Certain risks attached to investments in the Fund are set out in the Prospectus in the section entitled Risk Factors.

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## **1 IMPORTANT INFORMATION**

### **1.1 Profile of a typical investor**

A typical investor is expected to be an informed investor who is able to bear capital and income risk, and should view investment in the Fund as a medium to long term investment. A typical investor is expected to be an investor who wishes to take exposure to the markets covered by the Fund's investment policy and is prepared to accept the risks associated with an investment of this type, including the volatility of such market.

### **1.2 General**

This Supplement sets out information in relation to the Shares and the Fund. You must also refer to the Prospectus which is separate to this document and describes the Company and provides general information about offers of shares in the Company. You should not take any action in respect of the Shares unless you have received a copy of the Prospectus. Should there be any inconsistency between the contents of the Prospectus and this Supplement, the contents of this Supplement will, to the extent of any such inconsistency, prevail. This Supplement and the Prospectus should both be carefully read in their entirety before any investment decision with respect to Shares is made.

The Shares of the Fund have been admitted to listing on the Official List and trading on the Regulated Market of Euronext Dublin. This Supplement together with the Prospectus includes all information required to be disclosed by Euronext Dublin listing requirements and comprise listing particulars for the purpose of listing the Shares of the Fund on Euronext Dublin.

Neither the admission of Shares of the Fund to listing on the Official List and to trading on the Regulated Market of Euronext Dublin nor the approval of the listing particulars pursuant to the listing requirements of Euronext Dublin shall constitute a warranty or representation by Euronext Dublin as to the competence of service providers to or any other party connected with the Fund, the adequacy of information contained in the listing particulars or the suitability of the Fund for investment purposes.

As of the date of this Supplement, the Company does not have any loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

### **1.3 Suitability of Investment**

You are advised to inform yourself as to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Shares.

The Shares are not principal protected. The value of the Shares may go up or down and you may not get back the amount you have invested. See the section entitled Risk Factors of the Prospectus and the section entitled Risk Factors of this Supplement for a discussion of certain risks that should be considered by you.

An investment in the Shares is only suitable for you if you are a sophisticated investor and (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from

such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

## 1.4 Distribution of this Supplement and Selling Restrictions

Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus and is not authorised in any jurisdiction after publication of the audited annual report of the Company unless a copy of the then latest annual report and, if distributed after the semi-annual report has been produced, a copy of the then latest published semi-annual report and unaudited accounts is made available in conjunction with the Prospectus and this Supplement. The distribution of this Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. If you receive a copy of this Supplement and/or the Prospectus you may not treat such document(s) as constituting an offer, invitation or solicitation to you to subscribe for any Shares unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without compliance with any registration or other legal requirement other than those with which the Company has already complied. If you wish to apply for the opportunity to purchase any Shares it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile.

## 2 INVESTMENT OBJECTIVE AND POLICIES

### 2.1 Investment Objective

The Fund's investment objective is to replicate the price and the performance, before fees and expenses, of an index that provides exposure to the performance of companies involved in oil services to the upstream oil sector being activities which relate to oil equipment, oil services and oil drilling.

### 2.2 Investment Policy

In order to seek to achieve its investment objective, the Manager will use a replication strategy by investing directly in the underlying equity securities of the MarketVector™ US Listed Oil Services 10% Capped Index (the “**Index**”) being stock, American depository receipts (ADRs), and global depository receipts (GDRs). Such equity securities must be issued by companies listed or traded on the Markets referred to in Appendix II of the Prospectus who generate at least 50% (25% for current components) of their revenues from services to the upstream oil sector which includes companies engaged primarily in oil equipment, oil services and oil drilling.

The Fund will seek the prior approval of the Central Bank should the Fund seek to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. In exceptional market circumstances, such as, but not limited to, a material price movement impacting the weighting of an underlying equity security of the Index or disruptive market conditions or extremely volatile markets, an underlying equity security of the Index which is held by the Fund may exceed the regulatory limits intra rebalancing dates which would result in the Fund seeking to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. Where it is not practical or cost efficient for the Fund to fully replicate the Index, the Manager may utilise an optimised sampling methodology and further detail in respect of this approach is set out in the section entitled Investment Approach below.

The Fund may invest more than 20% of its Net Asset Value in emerging markets.

**The Fund may also (or alternatively) invest in financial derivative instruments (FDIs) which relate to the Index or constituents of the Index.** The FDIs which the Fund may use are futures, options (puts and calls), swaps (including equity swaps and swaps on the Index), currency forwards and non-

deliverable forwards (a forward contract that does not require settlement on maturity) (NDFs). Futures and options may be used in order to equitise (use) cash balances pending investment of subscription proceeds or other cash balances held by the Fund to seek to reduce tracking error. Currency forwards and NDFs may be used to hedge currency exposures. The Fund may use FDIs as an alternative to direct investment in the constituents of the Index in order to avail of the related cost or liquidity advantages of FDIs which may, in certain circumstances, be available over the direct investment in the constituents of the Index. The Fund may also use American depository receipts (ADRs) or global depository receipts (GDRs) to gain exposure to equity securities instead of using physical securities in circumstances where, due to local restrictions or quota limitations, it is not possible to hold these directly or where it is otherwise advantageous to the Fund to do so.

The Fund may also invest in ancillary liquid assets and money market instruments which may include bank deposits, depository receipts, certificates of deposit, fixed or floating rate instruments (treasury bills), commercial paper, floating rate notes and freely transferable promissory notes. The ancillary liquid assets, money market instruments and FDI (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus. Investment in ancillary liquid assets and money market instruments may be utilised in a variety of circumstances, including but not limited to, situations such as managing total exposure to cash and borrowing on a short-term basis and in anticipation of participation in a rights offering.

## **2.3 Efficient Portfolio Management**

Investors should note that the Fund may invest in FDIs for efficient portfolio management or hedging purposes only. The Fund may use futures, swaps and currency forwards for the purpose of reducing risk associated with currency exposures within the Fund. This may on occasion lead to an increase in the risk profile of the Fund or result in a fluctuation in the expected level of volatility. Please see the section entitled Risk Factors in the Prospectus in relation to such risks.

The Fund will employ the commitment approach to assess the Fund's global exposure and to ensure that the Fund's use of derivative instruments is within the limits specified by the Central Bank. Global exposure will be calculated daily. While the Fund may be leveraged through the use of the FDIs, any such leverage will not exceed 100% of the Fund's Net Asset Value.

Investment in FDIs is subject to the conditions and limits contained in the CBI UCITS Regulations. Subject to these limits, the Fund may invest in FDIs dealt on any of the regulated markets set out in the list of Markets in Appendix II to the Prospectus (and/or over the counter FDIs (OTCs)) which will be used for investment, efficient portfolio management and/or for hedging purposes.

The Company employs a risk management process which enables it to accurately measure, monitor and manage at any time the various risks associated with FDIs and their contribution to the overall risk profile of the portfolio of assets of the Fund. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments. The Fund will only invest in FDIs in accordance with the risk management policy prepared and submitted to the Central Bank in accordance with the Central Bank requirements.

The Fund may invest in FDIs dealt OTC provided that the counterparties to OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

Position exposure to the underlying assets of FDIs or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the CBI UCITS Regulations.

In addition, the Fund may enter into stocklending, repurchase and reverse repurchase agreements for efficient portfolio management purposes only subject to the conditions and the limits set out in the CBI UCITS Regulations. Investors are referred to the section entitled Use of Financial Derivative Instruments and Efficient Portfolio Management in the Prospectus.

## **2.4 Securities Financing Transactions**

While the Company may enter into securities financing transactions and repurchase agreements (SFTs) (as defined under Article 3 (11) of Regulation (EU) 2015/2365) (the SFTR), it is not anticipated that the Fund will enter into any SFTs. However, in the event that the Fund contemplates entering into such transactions, investors will be provided with further details of the structure and use of such transactions, together with any other information required to be disclosed to investors in accordance with Articles 13 and 14 of the SFTR. The Supplement will be updated accordingly in the event that the Fund will enter into any SFTs.

## **3 INVESTMENT APPROACH**

In order to seek to achieve its investment objective, the investment policy of the Fund is to use a replication strategy by investing directly in the underlying equity securities that consists of the component securities of the Index. The Fund will be 'passively' managed.

Where full replication is not possible, the Fund will invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities that generally replicate the Index. However, under various circumstances, it may not be practicable and possible to invest in such equity securities in proportion to their weightings in the Index. It is not expected that the Fund would invest in securities outside the Index under normal circumstances. In extraordinary circumstances the Fund may use such other techniques including, but not limited to, representative or "optimised" sampling to gain access to stocks which provide economic characteristics similar to the security in the Index. There also may be instances, for example if one or more securities are suspended from trading or in situations where the Fund is forced to liquidate particular securities, in which the Manager may choose to overweight a security in the Index, purchase securities not in the Index which the Manager believes are appropriate to substitute for certain securities in the Index or utilise other investment techniques in seeking to replicate, before fees and expenses, the price and yield performance of the Index. The Fund may sell securities that are represented in the Index in anticipation of their removal from the Index or purchase securities not represented in the Index in anticipation of their addition to the Index.

Anticipated tracking error is based on the expected volatility of differences between the returns of the Fund and the returns of the Index. For a physically replicating ETF, one of the primary drivers of tracking error is the difference between the Fund's holdings and index constituents. Cash management, trading costs from rebalancing and withholding tax or stamp duty suffered by the Fund on any income received from its Investments can also have an impact on tracking error as well as the return differential between the ETF and the benchmark index. The impact can be either positive or negative depending on the underlying circumstances. The anticipated tracking error of the Fund is not a guide to its future performance. The annualised tracking error envisaged is not anticipated to exceed 0.20% under normal market conditions.

## **4 INFORMATION ON THE INDEX**

The Index is an index that tracks the performance of companies with at least 50% (25% for current components) of their revenues from services to the upstream oil sector being activities which relate to oil equipment, oil services and oil drilling.

For inclusion in the Index, components must meet the following size and liquidity requirements:

- full market capitalisation exceeding \$150 million USD, and
- a three-month average-daily-trading volume of at least \$1 million USD at the current review and also at the previous two reviews, and
- at least 250,000 shares traded per month over the last six months at the current review and also at the previous two reviews.

The Index employs a capping scheme to ensure diversification by assigning weights to components which cannot exceed 10% at each rebalancing date (the “**Maximum Security Weight**”).

Companies are weighted in proportion to their free-float adjusted market capitalisation subject to a Maximum Security Weight. If a stock exceeds the Maximum Security Weight at a rebalancing date, then the weight will be reduced to the Maximum Security Weight and the excess weight shall be redistributed proportionally across all other index (uncapped) constituents. This process is repeated until the aggregate weight of all components equals 100% and no components’ weight exceeds its Maximum Security Weight.

The reviews are based on the closing data on the last business day in February, May, August and November. If a company does not trade on the last business day in February, May, August or November, the last available price for this company will be used. A “business day” means any day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in Frankfurt. The underlying index data (e.g. new number of shares, new free-float factors, and new weighting cap factors) is announced on the second Friday in a quarter-end month (i.e. March, June, September and December). The weighting cap factors are based on closing data of the Wednesday prior to the second Friday in a quarter-end month (i.e. March, June, September and December).

Changes to the Index will be implemented and based on the closing prices of the third Friday of every quarter-end month (i.e. March, June, September and December). If the third Friday is not a business day, the review will take place on the last business day before the third Friday. If a company does not trade on the third Friday of a quarter-end month, then the last available price for this company will be used. Changes become effective on the next business day.

Changes to the Index components will be implemented on a semi-annual basis in March and September so that the Index components continue to represent the universe of companies involved in the upstream oil sector. Besides that the components are rebalanced on a quarterly basis in March, June, September and December. The target coverage of the Index is 25 companies.

The following steps will be followed and form the Index review procedure:

- (a) The largest 50 stocks (by full market capitalisation) from the investable universe qualify for inclusion in the Index.
- (b) The 50 stocks which qualify for inclusion in the Index are ranked in two different ways - by free-float market capitalisation in descending order (the largest companies receives rank “1”) and then by three-month average-daily-trading volume in descending order (the most liquid companies receives rank “1”). These two ranks are added up.
- (c) The 50 stocks are ranked now by their sum of the two ranks in step 2 in ascending order. If two companies have the same sum of ranks, then the larger company is placed on top.
  - (i) Initially, the highest ranked 25 companies made up the index.

- (ii) On-going, a 10-40 buffer is applied: The highest ranked 10 companies qualify. The remaining 15 companies are selected from the highest ranked remaining current index components ranked between 11 and 40. If the number of selected companies is still below 25, then the highest ranked remaining stocks are selected until 25 companies were selected.

For all corporate events that result in a stock deletion from the index, the deleted stock will be replaced with the highest ranked non-component on the most recent selection list immediately only if the number of components in the index would drop below 20. The replacement stock will be added at the same weight as the deleted stock. Only in case the number of components drops below its minimum due to a merger of two or more index components, the replacement stock will be added with its uncapped free-float market capitalisation weight. In all other cases, i.e. there is no replacement, the additional weight resulting from the deletion will be redistributed proportionally across all other index constituents.

The Information on the Index contains a summary of the principal features of the Index and is not a complete description of the Index. In case of inconsistency between the Information on the Index contained in this summary and the complete description of the Index which can be found on the Index Provider's website, the complete description of the Index prevails. Information on the Index appears on the website identified in the section entitled "Index Provider". Such information may change from time to time and details of the changes will appear on that website

## 5 INDEX PROVIDER

The Index is published by MarketVector Indexes™ GmbH (the **Index Provider**), an affiliated company of the Manager. The Index Provider has contracted with Solactive AG to maintain and calculate the Index. The Index Provider does not sponsor, endorse, or promote the Fund and bears no liability with respect to the Fund or any security. The Index Provider will notify the Fund of material errors in the Index via the Index Provider's website. The Index Provider is an authorised benchmark administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation.

In accordance with Central Bank requirements, the Company is required to provide details of the Index Provider's website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company has no responsibility for the Index Provider's website and is not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof. Further information in relation to the Index may be found on the Index Provider's website, [www.marketvector.com](http://www.marketvector.com).

## 6 INVESTMENT RESTRICTIONS

The general investment restrictions as set out in the Prospectus shall apply. The Fund may not invest more than 10% of its Net Asset Value in open-ended collective investment schemes.

The Fund may not invest less than 51% of its Net Asset Value in equity securities which constitute "equity participation" within the meaning of section 2, Article 8 of the German Investment Tax Act (Investmentsteuergesetz). Equity participation in this context consists of shares in corporations traded or admitted for trading on a regulated market or multilateral trading facility (MTF) considered as such by the European Securities and Markets Authority (ESMA). The actual equity participation ratios of target investment funds can be taken into account.

There may be instances where the weighting of any constituent security of the Index could cause the Fund to breach the investment restrictions set out in the Prospectus. If such an event occurs, it is intended that the Fund will purchase other assets, the effect of which will seek to maintain, so far as is



possible, the same economic exposure to and the same weighting of the security of that issuer in the Index without breaching its investment restrictions.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders.

## **7 BORROWING**

The Fund may borrow money in an amount up to 10% of the market value of its net assets at any time for the account of any Fund and the Depositary may charge the assets of the Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Fund may acquire currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of the Regulations provided that the offsetting deposit is denominated in the Base Currency of the Fund and equals or exceeds the value of the foreign currency loan outstanding.

## **8 RISK FACTORS**

The general risk factors as set out in the section entitled Risk Factors in the Prospectus apply.

Investors in the Fund should be willing to accept a high degree of volatility in the price of the Fund's Shares and the possibility of significant losses. An investment in the Fund involves a substantial degree of risk. Therefore, you are advised to consider carefully the following risks before investing in the Fund.

An investment in the Fund may be subject to risks which include, among others, material transaction cost from rebalancing activity and fluctuations in the value of securities held by the Fund due to market and economic conditions or factors relating to specific issuers.

The value of investments and the income from them, and therefore the value of and income from the Shares can go down as well as up and an investor may not get back the amount invested. The Fund's exposure is based on the performance of the Index securities which, in turn, is exposed to general market movements (negative as well as positive).

Certain additional risks may also be associated with the Fund, including, without limitation:

### **8.1 Risk of Investing in the Oil Industry**

The Fund will be sensitive to, and its performance will depend to a greater extent on, the overall condition of oil services companies. The profitability of oil services companies is related to worldwide energy prices, including all sources of energy, and exploration and production spending. The price of energy, the earnings of oil services companies, and the value of such companies' securities are subject to significant volatility. Oil services companies are also subject to risks of changes in exchange rates and the price of oil and gas, changes in prices for competitive energy services, changes in the global supply of and demand for oil and gas, government regulation, the imposition of import controls, world events, negative perception, depletion of resources and general economic conditions, development of alternative energy sources, energy conservation efforts, technological developments and labor relations, as well as market, economic, social and political risks of the countries where oil services companies are located or do business. Oil services companies operate in a highly competitive and cyclical industry, with intense price competition.

Oil services companies are exposed to significant and numerous operating hazards. Oil services companies can be significantly affected by natural disasters and adverse weather conditions in the regions in which they operate. The revenues of oil services companies may be negatively affected by

contract termination and renegotiation. Oil services companies are subject to, and may be adversely affected by, extensive federal, state, local and foreign laws, rules and regulations. Oil services companies may also be adversely affected by environmental damage claims and other types of litigation. Changes to environmental protection laws, including the implementation of policies with less stringent environmental protection standards and those geared away from sustainable energy development, could lead to fluctuations in supply, demand and prices of oil and gas. The international operations of oil services companies expose them to risks associated with instability and changes in economic and political conditions, social unrest and acts of war, foreign currency fluctuations, changes in foreign regulations and other risks inherent to international business. Additionally, changes to U.S. trading policies could cause friction with certain oil producing countries and between the governments of the United States and other major exporters of oil to the United States. Some oil services companies are engaged in other lines of business unrelated to oil services, and they may experience problems with these lines of business which could adversely affect their operating results. The operating results of these companies may fluctuate as a result of these additional risks and events in the other lines of business. In addition, a company's ability to engage in new activities may expose it to business risks with which it has less experience than it has with the business risks associated with its traditional businesses. Despite a company's possible success in traditional oil services activities, there can be no assurance that the other lines of business in which these companies are engaged will not have an adverse effect on a company's business or financial condition.

## **8.2 Risk of Investing in the Energy Industry**

The Fund will be sensitive to, and its performance will depend to a greater extent on, the overall condition of the energy sector. Companies operating in the energy sector are subject to risks including, but not limited to, economic growth, worldwide demand, political instability in the regions that the companies operate, government regulation stipulating rates charged by utilities, interest rate sensitivity, oil price volatility, energy conservation, environmental policies, depletion of resources, the cost of providing the specific utility services and other factors that they cannot control. In addition, these companies are at risk of civil liability from accidents resulting in injury, loss of life or property, pollution or other environmental damage claims and risk of loss from terrorism and natural disasters. A downturn in the energy sector of the economy, adverse political, legislative or regulatory developments or other events could have a larger impact on the Fund than on an investment company that does not invest a substantial portion of its assets in the energy sector. At times, the performance of securities of companies in the energy sector may lag the performance of other sectors or the broader market as a whole. The price of oil, natural gas and other fossil fuels may decline and/or experience significant volatility, which could adversely impact companies operating in the energy sector.

## **8.3 Risk associated with fossil fuels**

Performance of the companies involved in the fossil fuels sector may be affected by a number of factors, including changes in commodity prices, supply and demand for fossil fuel products or services and exploration, equipment, services and production costs. Many regions that produce fossil fuel, or in which pipes for transporting fossil fuel are located, are politically volatile and conflicts in these regions could result in spikes in fossil fuel prices. In addition, companies in the fossil fuel sector may have significant operations in areas at risk of natural disasters (including physical changes as a result of climate change), social unrest, major terrorist attacks and environmental damage all of which could also increase market volatility. These companies may also be at risk of disbursing the costs of cleaning up accidents, civil liabilities, taxes, governmental regulation on privatisation, pricing and supply and other intervention, as well as other social and governance factors.

## **8.4 Liquidity Risk**

The Company provides daily liquidity. Under normal circumstances, all positions can be sold within a very short period of time without realising significant losses. However, unforeseen circumstances can give rise to abnormal conditions which could cause the Company to face liquidity risk. It could be unable to sell its positions as a result. The degree to which the securities in which the Fund invests can be traded affects the height of the actual buy and sell prices. This could mean that securities cannot be sold or can only be sold at a substantially lower price than the valuation assigned and the Fund may be unable to free up adequate funds to satisfy its purchase obligations. The bid/ask prices can deviate from the asset value of the share in the Fund, as a result of which the performance may deviate from that of the underlying Index or Indices, certainly in the event of limited liquidity on the market. To limit this risk, investments are only made in listed securities. In exceptional circumstances, if the purchase of shares in the Company is suspended for instance, there could be a risk that the investor may be unable to sell their investment at the desired moment or for a reasonable price. Given the open-ended character of the Company, it could be confronted with a high number of exits which would mean investments would have to be liquidated under potentially unfavourable conditions. This would negatively impact the value of the share. As described in this Prospectus, the purchase of shares may be (temporarily) suspended under certain circumstances.

#### **8.5 Risk of Investing in Small- and Medium-Capitalisation Companies**

The securities of small- and medium-capitalisation companies may be more volatile and less liquid than the securities of large companies. As securities of small- and medium-capitalisation companies may experience more market price volatility than securities of larger companies, the net asset value of any fund which invests in small- and medium-capitalisation companies (such as the Fund) may reflect this volatility. Small- and medium-capitalisation companies, when compared with larger companies, may have a shorter history of operations, fewer financial resources, less competitive strength, may have a less diversified product line, may be more susceptible to market pressure and may have a smaller market for their securities. Investment in small- and medium-capitalisation companies may involve comparatively higher investment costs and accordingly investment in the Fund should be viewed as a long term investment. The Fund may however dispose of an investment made by it within a relatively short period of time, for example, to meet requests for redemption of Shares.

#### **8.6 Risk of Investing in Natural Resources Companies**

The Fund will be sensitive to, and its performance will depend to a greater extent on, the overall condition of the natural resources sector. Investments in natural resources and the natural resources sector can be significantly affected by events relating to these industries, including international political and economic developments, embargoes, tariffs, inflation, weather and natural disasters, limits on exploration, often rapid changes in the supply and demand for natural resources and other factors. The Fund's portfolio securities may experience substantial price fluctuations as a result of these factors, and may move independently of the trends of operating companies. Natural resources companies may be adversely affected by changes in government policies and regulations, technological advances and/or obsolescence, environmental damage claims, energy conservation efforts, the success of exploration projects, limitations on the liquidity of certain natural resources and commodities and competition from new market entrants. Changes in general economic conditions, including commodity price volatility, changes in exchange rates, imposition of import controls, rising interest rates, prices of raw materials and other commodities, depletion of resources and labour relations, could adversely affect the Fund's portfolio companies.

#### **8.7 Emerging Markets Risk**

Emerging Markets Risk Investments in emerging market countries involve certain considerations not usually associated with investing in securities of developed countries or of companies located in

developed countries. Funds that invest in companies located in emerging market countries or companies deriving all or parts of their revenue from emerging market countries are subject to special risks associated with investment in an emerging market including: securities markets are generally less liquid and less efficient; securities markets may be less well regulated resulting in potential for significant price volatility; currency fluctuations and exchange control; imposition of restrictions on the repatriation of funds or other assets; reduced availability of publicly available information concerning issuers; the imposition of taxes including potential for retroactive taxes to be imposed; higher transaction and custody costs; settlement delays and risk of loss; less liquidity and smaller market capitalisations; difficulties in enforcing contracts; governmental interference; higher inflation; social, economic and political uncertainties; different accounting, auditing and financial reporting standards or of other regulatory practices and requirements comparable to developed markets; lack of uniform disclosure standards; potential for expropriation or nationalisation; custodial and/or settlement systems may not be fully developed whereby the Fund may encounter delays in settlement and may not be able to recover or may encounter delays in the recovery of some of its assets or which may expose a Fund to sub-custodial risk; and the risk of war. An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors. As a result of the above risks, the Fund's investments can be adversely affected and the value of your investments may go up or down.

## **8.8 Equity Securities Risk**

The value of the equity securities held by the Fund may fall due to general market and economic conditions, perceptions regarding the markets in which the issuers of securities held by the Fund participate, or factors relating to specific issuers in which the Fund invests. For example, an adverse event, such as an unfavourable earnings report, may result in a decline in the value of equity securities of an issuer held by the Fund; the price of the equity securities of an issuer may be particularly sensitive to general movements in the securities markets; or a drop in the securities markets may depress the price of most or all of the equities securities held by the Fund. Equity securities are subordinated to preferred securities and debt in a company's capital structure with respect to priority in right to a share of corporate income, and therefore will be subject to greater dividend risk than preferred securities or debt instruments. In addition, while broad market measures of equity securities have historically generated higher average returns than fixed income securities, equity securities have also experienced significantly more volatility in those returns. A change in the financial condition, market perception or the credit rating of an issuer of securities included in the Fund's index may cause the value of its securities to decline

## **8.9 Risk of Issuer-Specific Changes**

The value of individual securities or particular types of securities in the Fund's portfolio can be more volatile than the market as a whole and can perform differently from the value of the market as a whole, which may have a greater impact if the Fund's portfolio is concentrated in a country, group of countries, region, market or asset class. The value of securities of smaller issuers can be more volatile than that of larger issuers. A change in the financial condition, market perception or the credit rating of an issuer of securities included in the Index may cause the value of its securities to decline.

## **8.10 Concentration Risk**

The Fund's assets may be concentrated in a particular sector or sectors or industry or group of industries to the extent the Index concentrates in a particular sector or sectors or industry or group of industries. Accordingly, the Fund may be subject to the risk that economic, political or other conditions that have a negative effect on a particular industry or sector will negatively impact the Fund to a greater extent than if the Fund's assets were invested in a wider variety of sectors or industries.

The Fund may be particularly vulnerable to this risk because the Index is comprised of securities of a very limited number of issuers. The Fund's assets may be concentrated in a small number of stocks and/or may be concentrated in particular sectors which may subject the Fund to more risk than investments in a diverse group of companies and sectors.

## 9 DIVIDEND POLICY

It is not proposed that the Directors will declare a dividend in respect of the Fund. Full details of any change to the Fund's dividend policy will be provided in an updated Supplement and all Shareholders will be notified in advance.

## 10 KEY INFORMATION FOR PURCHASING AND SELLING

|                         |   |
|-------------------------|---|
| <b>Base Currency</b>    | US Dollar (USD)   |
| <b>Business Day</b>     | means every day other than a Saturday or Sunday (or such other day(s) as the Directors may from time to time determine and notify in advance to Shareholders).  |
| <b>Dealing Day</b>      | In general, each Business Day will be a Dealing Day. However, certain Business Days will not be Dealing Days where, in the sole determination of the Manager: (i) markets on which the Fund's investments are listed or traded, or markets relevant to the Index are closed, and/or (ii) there is a public holiday in the jurisdiction in which the Manager or its delegate(s), if applicable, is or are based; provided there is at least one Dealing Day per fortnight. The Dealing Days for the Fund are available at <a href="http://www.vaneck.com">www.vaneck.com</a> . |
| <b>Dealing Deadline</b> | 4:00 p.m. (Irish time) on the relevant Dealing Day.   |
| <b>Settlement Date</b>  | In the case of subscription(s), within 2 Business Days of the relevant Dealing Day.<br><br>In the case of repurchases, within 3 Business Days of the relevant Dealing Day.  |
| <b>Valuation Point</b>  | 11:00 p.m. (Irish time) on the relevant Dealing Day.  |
| <b>Website</b>          | Information on portfolio composition and details of intra-day portfolio value ( <b>iNAV</b> ) are set out on the website - <a href="http://www.vaneck.com">www.vaneck.com</a>   |

### Description of the Shares

|                    |              |
|--------------------|--------------|
| <b>Share Class</b> | A            |
| <b>ISIN</b>        | IE000NXF88S1 |

|                                     |   |
|-------------------------------------|---|
| <b>Initial Offer Period</b>         | The Initial Offer Period shall commence at 9:00 a.m. (Irish time) 8 March 2023 and close at 5.00 p.m. (Irish time) on 7 September 2023 as may be shortened or extended by the Directors and notified to the Central Bank. |
| <b>Initial Price</b>                | Approximately USD 20, plus an appropriate provision for Duties and Charges, or such other amount as determined by the Manager and communicated to investors prior to investment.  |
| <b>Creation Unit</b>                | 50,000 Shares or such other amount as may be determined by the Directors at their discretion.   |
| <b>Minimum Initial Subscription</b> | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Initial Subscription.   |
| <b>Minimum Holding</b>              | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Holding.  |

## 11 CHARGES AND EXPENSES

The following fees and expenses will be incurred by the Company on behalf of the Fund and will affect the Net Asset Value of the relevant Class of Share of the Fund:

|                    |   |
|--------------------|---|
| <b>Share Class</b> | A   |
| <b>Total Fee</b>   | Up to 0.35% per annum or such lower amount as may be advised to Shareholders from time to time. |

The Total Fee, a percentage of the Net Asset Value of the relevant Class of Shares (plus VAT, if any), is payable by the Company out of the Fund Assets to the Manager. The Total Fee will accrue on each day and will be calculated on each Dealing Day and paid monthly in arrears. The Total Fee will cover all of the ordinary fees, operating costs and expenses payable by the Fund including fees and expenses paid to the Manager, all ordinary costs and expenses connected with the management and operating activities of the Fund, including investment management and advisory fees, Director's fees, registration, transfer agency, administration and custody fees, registrar fees, regulators and auditors and certain legal expenses of the Company. The Total Fee does not include extraordinary costs and expenses (including but not limited to transaction charges, stamp duty or other taxes on the investments of the Company including duty charges for portfolio re-balancing, withholding taxes, commissions and brokerage fees incurred with respect to the Company's investments, interest on any non-overdraft credit facility and charges incurred in negotiating, effecting or varying the terms of such facility, any commissions charged by intermediaries in relation to an investment in the Fund and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the Company all of which will be paid separately out of the assets of the Fund). The cost of establishing the Fund will be borne by the Manager.

This section entitled Charges and Expenses should be read in conjunction with the sections entitled General Charges and Expenses and Management Charges and Expenses in the Prospectus.

## 12 REGISTRATION FOR PUBLIC DISTRIBUTION AND LISTING

Application is expected to be made to register the Fund for public distribution in various countries.

Application will be made to list the Shares on Euronext and other stock exchanges. Through the operation of such a secondary market, persons who are not Authorised Participants or not able or willing to subscribe for and redeem Creation Units will be able to buy Shares from or sell Shares to other retail investors or market makers, broker/dealers, or other Authorised Participants at prices which should approximate, after currency conversion, the Net Asset Value of the Shares.

## **13 HOW TO BUY AND SELL SHARES**

Investors can buy and sell Shares on the secondary market as described above in accordance with the procedures set out in the section entitled Secondary Market in the Prospectus.

Investors can otherwise subscribe for or redeem Creation Units in accordance with the procedures set out in the Prospectus.

## **14 SUSTAINABLE FINANCE DISCLOSURE**

The Manager has categorised the Fund as meeting the provisions set out in Article 6 of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector ("SFDR") and does not follow a dedicated ESG investment strategy. The Fund does not have sustainable investment as its investment objective, nor does it promote environmental or social characteristics.

### **14.1 Sustainability Risks**

Sustainability risk is the risk that the value of an investment will decline as a result of an environmental, social or governance (ESG) event or circumstance. Ecological events include climate change, scarcity of natural resources and pollution. Social events may include labour issues and product liability. Governance can include themes such as shareholder rights, business ethics, diversity and executive remuneration. Sustainability risks can arise in all kinds of forms. With regard to the theme of climate, for example, there is a distinction between transition risks and physical risks, whereby transition risks can be divided into legal and regulatory risks, technological risks, market risks and reputation risks. In addition, the impact of sustainability risk has various scopes, including company-specific, sector-specific and on country level. The occurrence of a sustainability risk results in other (financial) risks manifesting. This can negatively affect the value of the investment.

Concrete examples of sustainability risks for the Fund are: a company has an overly generous remuneration policy or a remuneration policy that is inconsistent with the interests of the shareholders. Also, a company's reputation can deteriorate as a result of negative publicity about an environmental or labour issue that can cause the value of its stock to decline. The expected impact of sustainability risks on the return depends on the type of sustainability risk that materializes. For developed and emerging markets equity portfolios, this expected impact is generally viewed as significant.

### **14.2 Sustainability Risk Integration Features**

The Fund has a passive investment policy whereby the Fund aims to follow the Index as closely as possible. The Index has no specific sustainability characteristics. The Fund therefore does not have any specific sustainability characteristics.

The Manager applies the following measures to integrate sustainability risks for this Fund:

#### **Exclusions**

Exclusions apply to this Fund as further outlined in section 10 of the Prospectus.

## Voting

The Manager can exercise his voting rights at shareholders' meetings, according to the Proxy Voting Policy. To assist in its responsibility for voting proxies and the overall voting process, the Manager has engaged an independent third party proxy voting specialist, Glass Lewis Europe Limited, which takes also Environmental, Social and Governance factors into account when casting votes.

In particular, the Glass Lewis ESG voting policy is applied:

- On the Environmental side, within others, measures in favour of increased disclosure of a company's environmental risk through company-specific disclosure as well as compliance with international environmental conventions and adherence to environmental principles will be supported. Similarly, the ESG Policy will support proposals requesting companies develop greenhouse gas emissions reduction goals, comprehensive recycling. The ESG Policy will evaluate a company's impact on the environment, in addition to the regulatory risk a company may face by not adopting environmentally responsible policies. Further, the ESG Policy will consider voting against directors for not appropriately overseeing environmental risk.
- On the Social side, the ESG Policy will support several proposals, including but not limited to requesting that a company develop sustainable business practices, such as animal welfare policies, human rights policies, and fair lending policies. Furthermore, the ESG Policy will also generally support enhancing the rights of workers, as well as considering the communities and broader constituents in the areas in which companies do business.
- On the Governance side, the ESG Policy supports, within other aspects, increased shareholder participation and access to a company and its board of directors. Accordingly, the ESG Policy will vote in favour of initiatives that seek to enhance shareholder rights, such as the introduction of majority voting to elect directors, the adoption and amendment of proxy access bylaws, the elimination/reduction of supermajority provisions, the declassification of the board, the submission of shareholder rights' plans to a shareholder vote, and the principle of one share, one vote.

## Engagement

The Manager appointed a third-party engagement specialist, Glass Lewis Europe Limited, for the passive equity funds managed by VanEck Asset Management B.V. The engagement provider determines the engagement approach in accordance with its engagement policy and based on its engagements' priorities.

### 14.3 Taxonomy disclosure

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

## 15 OTHER INFORMATION

New Funds may be created from time to time by the Directors with the prior approval of the Central Bank in which case further Supplements incorporating provisions relating to those Funds will be issued by the Company.

The names of the Funds currently approved by the Central Bank are listed in the Global Addendum.



## SCHEDULE 1

### DISCLAIMER

The Index is the exclusive property of MarketVector Indexes GmbH ("**MarketVector**"), a wholly owned subsidiary of the Manager, which has contracted with Solactive AG to maintain and calculate the Index. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards MarketVector, Solactive AG has no obligation to point out errors in the Index to third parties. The Fund is not sponsored, endorsed, sold or promoted by MarketVector and MarketVector makes no representation regarding the advisability of investing in the Fund. The Index is calculated weekdays between 01:00 and 22:40 (CET) and the Index values are disseminated to data vendors every 15 seconds on days when the US equity market is open for trading. The Index is disseminated in USD.

In accordance with Central Bank requirements, the Company and the Fund are required to provide details of the Index Provider's website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company and the Fund have no responsibility for the Index Provider's website and are not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof.

The indicative optimised portfolio value/intra-day portfolio value is calculated by S&P Global Ltd.

**VANECK UCITS ETFs plc**

**Supplement dated 20 December 2024**

**for**

**VanEck Defense UCITS ETF**

This Supplement contains specific information in relation to the **VanEck Defense UCITS ETF** (the **Fund**), a sub-fund of VanEck UCITS ETFs plc (the **Company**), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank pursuant to the Regulations.

**This Supplement forms part of, may not be distributed unless accompanied by (other than to prior recipients of the Prospectus of the Company dated 20 December 2024, as may be amended, supplemented, or modified from time to time), and should be read in conjunction with the Prospectus for the Company.**

THIS DOCUMENT IS IMPORTANT. YOU SHOULD NOT PURCHASE SHARES IN THE FUND DESCRIBED IN THIS SUPPLEMENT UNLESS YOU HAVE ENSURED THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT AND THE RISKS INVOLVED AND ARE SATISFIED THAT THE INVESTMENT IS SUITED TO YOUR CIRCUMSTANCES AND OBJECTIVES, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU ARE RECOMMENDED TO TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR.

The Directors of the Company whose names appear in the section entitled **Directors of the Company** in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

**Shares purchased on the secondary market cannot usually be sold directly back to the Fund. Investors must buy and sell Shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value when buying Shares and may receive less than the current Net Asset Value per Share when selling them.**

**An investment in the Fund, whose securities comprise holdings in emerging markets, should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors.**

Certain risks attached to investments in the Fund are set out in the Prospectus in the section entitled Risk Factors.

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## **1 IMPORTANT INFORMATION**

### **1 Profile of a typical investor**

A typical investor is expected to be an informed investor who is able to bear capital and income risk, and should view investment in the Fund as a medium to long term investment. A typical investor is expected to be an investor who wishes to take exposure to the markets covered by the Fund's investment policy and is prepared to accept the risks associated with an investment of this type, including the volatility of such market.

#### **1.1 General**

This Supplement sets out information in relation to the Shares and the Fund. You must also refer to the Prospectus which is separate to this document and describes the Company and provides general information about offers of shares in the Company. You should not take any action in respect of the Shares unless you have received a copy of the Prospectus. Should there be any inconsistency between the contents of the Prospectus and this Supplement, the contents of this Supplement will, to the extent of any such inconsistency, prevail. This Supplement and the Prospectus should both be carefully read in their entirety before any investment decision with respect to Shares is made.

The Shares of the Fund have been admitted to listing on the Official List and trading on the Regulated Market of Euronext Dublin. This Supplement together with the Prospectus includes all information required to be disclosed by Euronext Dublin listing requirements and comprise listing particulars for the purpose of listing the Shares of the Fund on Euronext Dublin.

Neither the admission of Shares of the Fund to listing on the Official List and to trading on the Regulated Market of Euronext Dublin nor the approval of the listing particulars pursuant to the listing requirements of Euronext Dublin shall constitute a warranty or representation by Euronext Dublin as to the competence of service providers to or any other party connected with the Fund, the adequacy of information contained in the listing particulars or the suitability of the Fund for investment purposes.

As of the date of this Supplement, the Company does not have any loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

#### **1.2 Suitability of Investment**

You are advised to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Shares.

The Shares are not principal protected. The value of the Shares may go up or down and you may not get back the amount you have invested. See the section entitled Risk Factors of the Prospectus and the section entitled Risk Factors of this Supplement for a discussion of certain risks that should be considered by you.

An investment in the Shares is only suitable for you if you are a sophisticated investor and (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from

such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

### **1.3 Distribution of this Supplement and Selling Restrictions**

Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus and is not authorised in any jurisdiction after publication of the audited annual report of the Company unless a copy of the then latest annual report and, if distributed after the semi-annual report has been produced, a copy of the then latest published semi-annual report and unaudited accounts is made available in conjunction with the Prospectus and this Supplement. The distribution of this Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. If you receive a copy of this Supplement and/or the Prospectus you may not treat such document(s) as constituting an offer, invitation or solicitation to you to subscribe for any Shares unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without compliance with any registration or other legal requirement other than those with which the Company has already complied. If you wish to apply for the opportunity to purchase any Shares it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile.

## **2 INVESTMENT OBJECTIVE AND POLICIES**

### **2.1 Investment Objective**

The Fund's investment objective is to replicate the price and the performance, before fees and expenses, of an index that provides exposure to entities involved in serving national defense industries.

### **2.2 Investment Policy**

In order to seek to achieve its investment objective, the Manager will normally use a replication strategy by investing directly in the underlying equity securities of MarketVector™ Global Defense Industry Index (the “**Index**”) being the equity stocks, American depository receipts (ADRs), and global depository receipts (GDRs) that consists of the component securities of the Index. Such equity securities must be issued by companies listed or traded on the Markets referred to in Appendix II of the Prospectus who derive 50% (25% for current components) of their revenues from the military or defense industries (including related national/federal governmental departments) related to the following products and services:

- Aerospace and defense products and services.
- Communications systems and services, including satellites.
- Unmanned vehicles.
- Event response, security, or safety-related software.
- Information technology hardware and services.
- Cybersecurity software.
- Training and simulation software and products.
- Digital forensics, detection devices, and e-authentication/biometric identification.

The Fund may not invest in companies that ISS categorizes to have verifiably violated established norms or are imminent to do so, or that have a verified involvement in controversial weapons, as outlined below.

The Fund will seek the prior approval of the Central Bank should the Fund seek to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. In exceptional market circumstances, such as, but not limited to, a material price movement impacting the weighting of an underlying equity security of the Index or disruptive market conditions or extremely volatile markets, an underlying equity security of the Index which is held by the Fund may exceed the regulatory limits intra rebalancing dates which would result in the Fund seeking to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. Where it is not practical or cost efficient for the Fund to fully replicate the Index, the Manager may utilise an optimised sampling methodology and further detail in respect of this approach is set out in the section entitled Investment Approach below.

The Fund may invest more than 20% of its Net Asset Value in emerging markets.

**The Fund may also (or alternatively) invest in financial derivative instruments (FDIs) which relate to the Index or constituents of the Index.** The FDIs which the Fund may use are futures, options (puts and calls), swaps (including equity swaps and swaps on the Index), currency forwards and non-deliverable forwards (a forward contract that does not require settlement on maturity) (NDFs). Futures and options may be used in order to equitise (use) cash balances pending investment of subscription proceeds or other cash balances held by the Fund to seek to reduce tracking error. Currency forwards and NDFs may be used to hedge currency exposures. The Fund may use FDIs as an alternative to direct investment in the constituents of the Index in order to avail of the related cost or liquidity advantages of FDIs which may, in certain circumstances, be available over the direct investment in the constituents of the Index. The Fund may also use American depository receipts (ADRs) or global depository receipts (GDRs) to gain exposure to equity securities instead of using physical securities in circumstances where, due to local restrictions or quota limitations, it is not possible to hold these directly or where it is otherwise advantageous to the Fund to do so.

The Fund may also invest in ancillary liquid assets and money market instruments which may include bank deposits, depository receipts, certificates of deposit, fixed or floating rate instruments (treasury bills), commercial paper, floating rate notes and freely transferable promissory notes. The ancillary liquid assets, money market instruments and FDI (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus. Investment in ancillary liquid assets and money market instruments may be utilised in a variety of circumstances, including but not limited to, situations such as managing total exposure to cash and borrowing on a short-term basis and in anticipation of participation in a rights offering.

## **2.3 Efficient Portfolio Management**

Investors should note that the Fund may invest in FDIs for efficient portfolio management or hedging purposes only. The Fund may use futures, swaps and currency forwards for the purpose of reducing risk associated with currency exposures within the Fund. This may on occasion lead to an increase in the risk profile of the Fund or result in a fluctuation in the expected level of volatility. Please see the section entitled Risk Factors in the Prospectus in relation to such risks.

The Fund will employ the commitment approach to assess the Fund's global exposure and to ensure that the Fund's use of derivative instruments is within the limits specified by the Central Bank. Global exposure will be calculated daily. While the Fund may be leveraged through the use of the FDIs, any such leverage will not exceed 100% of the Fund's Net Asset Value.

Investment in FDIs is subject to the conditions and limits contained in the CBI UCITS Regulations. Subject to these limits, the Fund may invest in FDIs dealt on any of the regulated markets set out in the list of Markets in Appendix II to the Prospectus (and/or over the counter FDIs (OTCs)) which will be used for investment, efficient portfolio management and/or for hedging purposes.

The Company employs a risk management process which enables it to accurately measure, monitor and manage at any time the various risks associated with FDIs and their contribution to the overall risk profile of the portfolio of assets of the Fund. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments. The Fund will only invest in FDIs in accordance with the risk management policy prepared and submitted to the Central Bank in accordance with the Central Bank requirements.

The Fund may invest in FDIs dealt OTC provided that the counterparties to OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

Position exposure to the underlying assets of FDIs or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the CBI UCITS Regulations.

In addition, the Fund may enter into stock lending, repurchase and reverse repurchase agreements for efficient portfolio management purposes only subject to the conditions and the limits set out in the CBI UCITS Regulations. Investors are referred to the section entitled Use of Financial Derivative Instruments and Efficient Portfolio Management in the Prospectus.

## **2.4 Securities Financing Transactions**

While the Company may enter into securities financing transactions and repurchase agreements (SFTs) (as defined under Article 3 (11) of Regulation (EU) 2015/2365) (the SFTR), it is not anticipated that the Fund will enter into any SFTs. However, in the event that the Fund contemplates entering into such transactions, investors will be provided with further details of the structure and use of such transactions, together with any other information required to be disclosed to investors in accordance with Articles 13 and 14 of the SFTR. The Supplement will be updated accordingly in the event that the Fund will enter into any SFTs.

## **3 INVESTMENT APPROACH**

In order to seek to achieve its investment objective, the investment policy of the Fund is to use a replication strategy by investing directly in the underlying securities that consists of the component securities of the Index. The Fund will be 'passively' managed.

Where full replication is not possible, the Fund will invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities that generally replicate the Index. However, under various circumstances, it may not be practicable and possible to invest in such equity securities in proportion to their weightings in the Index. It is not expected that the Fund would invest in securities outside the Index under normal circumstances. In extraordinary circumstances the Fund may use such other techniques including, but not limited to, representative or "optimised" sampling to gain access to stocks which provide economic characteristics similar to the security in the Index. There also may be instances, for example if one or more securities are suspended from trading or in situations where the Fund is forced to liquidate particular securities, in which the Manager may choose to overweight a security in the Index, purchase securities not in the Index which the Manager believes are appropriate to substitute for certain securities in the Index or utilise other investment techniques in

seeking to replicate, before fees and expenses, the price and yield performance of the Index. The Fund may sell securities that are represented in the Index in anticipation of their removal from the Index or purchase securities not represented in the Index in anticipation of their addition to the Index.

Anticipated tracking error is based on the expected volatility of differences between the returns of the Fund and the returns of the Index. For a physically replicating ETF, one of the primary drivers of tracking error is the difference between the Fund's holdings and Index constituents. Cash management, trading costs from rebalancing and withholding tax or stamp duty suffered by the Fund on any income received from its Investments can also have an impact on tracking error as well as the return differential between the ETF and the benchmark Index. The impact can be either positive or negative depending on the underlying circumstances. The anticipated tracking error of the Fund is not a guide to its future performance. The annualised tracking error envisaged is not anticipated to exceed 0.20% under normal market conditions.

#### 4 INFORMATION ON THE INDEX

The Index is a global index that seeks to track the performance of companies that are involved in serving national defense industries. This includes companies which generate at least 50% (25% for current components) of their revenues from the military or defense industries (including related national/federal governmental departments). Revenues from the military or defense industries (including related national/federal governmental departments) are required to be related to the following products and services:

- Aerospace and defense products and services.
- Communications systems and services, including satellites.
- Unmanned vehicles.
- Event response, security, or safety-related software.
- Information technology hardware and services.
- Cybersecurity software.
- Training and simulation software and products.
- Digital forensics, detection devices, and e-authentication/biometric identification.

The issuers of the eligible securities which the Index may comprise must be incorporated or headquartered in, and the stocks must be listed on an exchange, in the following countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Israel, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Poland, Portugal, Singapore, South Korea, Spain, Sweden, Switzerland, Taiwan, United Kingdom, United States. The Index will not have a particular regional focus. The Index excludes any eligible security which is listed on any of the following markets:

- **Paris:** Auction,
- Hamburger Börse and Börse Berlin,
- **Oslo:** Growth, and



- **London Stock Exchange:** AIM, AIMI, ASQ1, ASQ2, ASX1, ASXN, SFM2, SFM3, SSQ3, SSX3, SSX4, EQS.

The Index excludes companies that violate certain ESG criteria included in the following categories: Norm-based research, and controversial weapons. The Index Provider utilises ESG data provided by Institutional Shareholder Services group of companies (ISS). ISS provides the Index Provider with high-quality data, analytics and insight, including country ESG research and ratings enabling the Index Provider to identify material social and environmental risks and opportunities. Further, companies that are not covered by ISS or for which all relevant data fields are not collected by ISS may be eligible for inclusion. In these cases the Index Provider will review the impact and will act on a best efforts basis to ensure data coverage by performing qualitative data research through the review of relevant publicly available information of the respective company.

The Index does not consider companies that violate certain ESG criteria included in the following categories (binding criteria):

- ISS Norms-based controversy score of 9 (Imminent failure to respect established norms) or 10 (Verified failure to respect established norms)
- Verified involvement in controversial weapons: Anti-Personnel Mines, Biological and Chemical Weapons, Cluster Munitions, Depleted Uranium, Incendiary Weapons, White Phosphorus and Nuclear Weapons outside the Non-Proliferation treaty.

As outlined in the Index methodology, which is available on the Index Providers website, norm's-based violations of a particular activity are measured by reference to the Norms-Based Research Overall Score. The Norms-Based Research Overall Score evaluates allegations that companies fail to abide by global norms concerning society, environment and governance. The determination of value is guided by a systematic evaluation of key factors, such as credibility of information, status of practice and impact, problematic strategy/policy, recurrence, and scope of impact. Issue/theme specific thresholds apply.

The Index employs a capping scheme to ensure diversification. The maximum weight for any single component is 8% of the Index. If a component exceeds the maximum weight at the time of Index rebalancing, then the weight will be reduced to the maximum weight and the excess weight shall be redistributed proportionally among all other (uncapped) Index constituents. This process is repeated until no component weight exceeds the maximum weight.

For inclusion in the Index, components must meet the following size and liquidity requirements:

- Only companies with a free-float (or shares available to foreign investors) of 10%.
- Full market capitalisation exceeding \$1.0 billion USD.
- Three-month average-daily-trading volume of at least \$1.0 million at the current review and also at the previous two reviews.
- At least 250,000 shares traded per month over the last six months at the current review and at the previous two reviews.

Current Index constituents are subject to the following liquidity requirements:

- Only companies with a free-float (or shares available to foreign investors) of 5%.

- Full market capitalisation exceeding \$750.0 million USD.
- Three-month average-daily-trading volume of at least \$0.2 million USD at the current review and also at the previous two reviews.
- In addition, a three-month average-daily-trading volume of at least \$0.6 million USD at the current review or at one of the previous two reviews, or at least 200,000 shares traded per month over the last six months at the current review and at the previous two reviews.

The reviews for the Index are based on the closing data on the last business day in February, May, August and November. If a company does not trade on the last business day in February, May, August or November, the last available price for such company will be used. The Index Provider has defined a “business day” to mean any day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in Frankfurt.

The Index data (e.g. new number of shares, new free-float factors and new weighting cap factors) is announced on the second Friday in a quarter-end month (i.e. March, June, September and December). The weighting cap factors are based on closing data of the Wednesday prior to the second Friday in a quarter-end month (i.e. March, June, September and December).

Changes to the Index will be implemented and based on the closing prices of the third Friday of every quarter-end month (i.e. March, June, September and December). If the third Friday is not a business day, the review will take place on the last business day before the third Friday of such quarter-end month. If a company does not trade on the third Friday of a quarter-end month, then the last available price for such company will be used. Changes become effective on the next business day

The target coverage of the Index is at least 98% of the free-float market capitalisation of the investable universe with at least 25 companies.

The following steps will be followed and form the Index review procedure:

- 1 All stocks in the investable universe are sorted in terms of free-float market capitalisation in descending order
- 2 Stocks covering the top 95% of the free-float market capitalisation of the investable universe qualify for selection.
- 3 Existing components between the 95th and 99th percentiles also qualify for the Index.
- 4 If the coverage is still below 98% or the number of components in the Index is still below 25, the largest remaining stocks will be selected until coverage of at least 98% is reached and the number of stocks equals 25.
- 5 In case the number of eligible companies is below 25, additional companies are added by the Index Provider based on the next largest and most liquid eligible companies with the greatest revenue exposure to military or defense industries until the number of stocks equals 25.

For all corporate events that result in a stock deletion from the Index, the deleted stock will be replaced with the highest ranked non-component on the most recent selection list immediately only if the number of components in the Index would drop below 20. The replacement stock will be added at the same weight as the deleted stock. Only in case the number of components drops below its minimum due to a merger of two or more components, the replacement stock will be added with its uncapped free-float

market capitalisation weight. In all other cases, i.e. there is no replacement, the additional weight resulting from the deletion will be redistributed proportionally across all other constituents.

The information on the Index contains a summary of the principal features of the Index and is not a complete description of the Index. In case of inconsistency between the Information on the Index contained in this summary and the complete description of the Index which can be found on the Index Provider's website, the complete description of the Index prevails. Information on the Index appears on the website identified in the section entitled "Index Provider". Such information may change from time to time and details of the changes will appear on that website.

## 5 INDEX PROVIDER

The Index is published by MarketVector Indexes™ GmbH (the **Index Provider**), an affiliated company of the Manager. The Index Provider has contracted with Solactive AG to maintain and calculate the Index. The Index Provider does not sponsor, endorse, or promote the Fund and bears no liability with respect to the Fund or any security. The Index Provider will notify the Fund of material errors in the Index via the Index Provider's website. The Index Provider is an authorised benchmark administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation.

In accordance with Central Bank requirements, the Company is required to provide details of the Index Provider's website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company has no responsibility for the Index Provider's website and is not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof. Further information in relation to the Index may be found on the Index Provider's website, [www.marketvector.com](http://www.marketvector.com).

## 6 INVESTMENT RESTRICTIONS

The general investment restrictions as set out in the Prospectus shall apply. The Fund may not invest more than 10% of its Net Asset Value in open-ended collective investment schemes.

The Fund may not invest less than 51% of its Net Asset Value in equity securities which constitute "equity participation" within the meaning of section 2, Article 8 of the German Investment Tax Act (Investmentsteuergesetz). Equity participation in this context consists of shares in corporations traded or admitted for trading on a regulated market or multilateral trading facility (MTF) considered as such by the European Securities and Markets Authority (ESMA). The actual equity participation ratios of target investment funds can be taken into account.

There may be instances where the weighting of any constituent security of the Index could cause the Fund to breach the investment restrictions set out in the Prospectus. If such an event occurs, it is intended that the Fund will purchase other assets, the effect of which will seek to maintain, so far as is possible, the same economic exposure to and the same weighting of the security of that issuer in the Index without breaching its investment restrictions.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders.

## 7 BORROWING

The Fund may borrow money in an amount up to 10% of the market value of its net assets at any time for the account of any Fund and the Depositary may charge the assets of the Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Fund may acquire currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of the Regulations provided that the offsetting deposit is denominated in the Base Currency of the Fund and equals or exceeds the value of the foreign currency loan outstanding.

## **8 RISK FACTORS**

The general risk factors as set out in the section entitled Risk Factors in the Prospectus apply.

Investors in the Fund should be willing to accept a high degree of volatility in the price of the Fund's Shares and the possibility of significant losses. An investment in the Fund involves a substantial degree of risk. Therefore, you are advised to consider carefully the following risks before investing in the Fund.

An investment in the Fund may be subject to risks which include, among others, material transaction cost from rebalancing activity and fluctuations in the value of securities held by the Fund due to market and economic conditions or factors relating to specific issuers.

The value of investments and the income from them, and therefore the value of and income from the Shares can go down as well as up and an investor may not get back the amount invested. The Fund's exposure is based on the performance of the Index securities which, in turn, is exposed to general market movements (negative as well as positive).

Certain additional risks may also be associated with the Fund, including, without limitation:

### **8.1 Risk of Investing in Defense Companies**

Companies in the defense industry can be significantly affected by world events and government defense regulation and spending policies as many companies in the defense industry rely to a large extent on government demand for their products and services. There are significant risks inherent in contracting with governments that could have a material adverse effect on the business, financial condition and results of operations of the defense industry participants. Defense industry company's financial performance can be significantly affected by government spending policies, especially in times where governments coming under increasing pressure to control and reduce budget deficits. Companies in the defense industry may seek to generate revenue from engaging with multiple parties and governments. There can be no guarantee that the products or services of companies in which the Fund invests would align with an investor's environmental, social or governance outlook or that the customers of such products or services would not be engaged in conflicts.

### **8.2 Risk of Investing in the Industrial Sector**

Companies in the industrials sector, of which defense companies are a component, may be adversely affected by changes in government regulation, world events and economic conditions. In addition, companies in the industrials sector may be adversely affected by environmental damages, product liability claims and exchange rates. The stock prices of companies in the industrials sector are affected by supply and demand both for their specific product or service and for industrial sector products in general. The products of manufacturing companies may face product obsolescence due to rapid technological developments and frequent new product introduction. In addition, the industrials sector may also be adversely affected by changes or trends in commodity prices, which may be influenced or characterised by unpredictable factors.

### **8.3 Risk of Investing in the Information Technology Sector**

The information technology sector includes software developers, providers of information technology consulting and services and manufacturers and distributors of computers, peripherals, communications equipment and semiconductors. Information technology companies face intense competition, both domestically and internationally, which may have an adverse effect on profit margins. Information technology companies may have limited product lines, markets, financial resources or personnel. The products of information technology companies may face product obsolescence due to rapid technological developments and frequent new product introduction, unpredictable changes in growth rates and competition for the services of qualified personnel. Companies in the information technology sector are heavily dependent on patent protection and the expiration of patents may adversely affect the profitability of these companies.

### **8.4 Risk of Investing in Medium-Capitalisation Companies**

Medium-capitalisation companies may be more volatile and more likely than large-capitalisation companies to have narrower product lines, fewer financial resources, less management depth and experience and less competitive strength. In addition, these companies often have greater price volatility, lower trading volume and less liquidity than larger, more established companies. Returns on investments in securities of medium capitalisation companies could trail the returns on investments in securities of large-capitalisation companies.

### **8.5 Risk of Investing in Smaller Companies**

The securities of smaller companies may be more volatile and less liquid than the securities of large companies. As securities of smaller companies may experience more market price volatility than securities of larger companies, the net asset value of any fund which invests in smaller companies (such as the Fund) may reflect this volatility. Smaller companies, when compared with larger companies, may have a shorter history of operations, fewer financial resources, less competitive strength, may have a less diversified product line, may be more susceptible to market pressure and may have a smaller market for their securities. Investment in smaller companies may involve comparatively higher investment costs and accordingly investment in the Fund should be viewed as a long-term investment. The Fund may however dispose of an investment made by it within a relatively short period of time, for example, to meet requests for redemption of Shares.

### **8.6 Emerging Markets Risk**

Investments in securities of emerging market issuers are exposed to a number of risks that may make these investments volatile in price or difficult to trade. Emerging markets are more likely than developed markets to experience problems with the clearing and settling of trades, as well as the holding of securities by local banks, agents and depositories. Political risks may include unstable governments, nationalisation, restrictions on foreign ownership, laws that prevent investors from getting their money out of a country and legal systems that do not protect property rights as well as the laws in developed countries. Market risks may also include economies that concentrate in only a few industries, securities issues that are held by only a few investors, liquidity issues and limited trading capacity in local exchanges and the possibility that markets, or issues may be manipulated by foreign nationals who have inside information. The frequency, availability and quality of financial information about investments in emerging markets varies. The Fund has limited rights and few practical remedies in emerging markets and the ability of authorities in developed countries to bring enforcement actions in emerging markets may be limited, and the Fund's passive investment approach does not take account of these risks. All of these factors can make emerging market securities more volatile and potentially less liquid than securities issued in more developed markets.

## **8.7 Special Risk Considerations of Investing in Asian Issuers**

The Fund may invest in securities issued by Asian issuers and, accordingly, may be subject to the risk of investing in such issuers. Investment in securities of issuers in Asia involves risks and special considerations not typically associated with investment in the securities markets of developed countries. Certain Asian economies have experienced over-extension of credit, currency devaluations and restrictions, high unemployment, high inflation, decreased exports and economic recessions. Economic events in any one Asian country can have a significant effect on the entire Asian region as well as on major trading partners outside Asia, and any adverse effect on some or all of the Asian countries and regions in which the Fund invests. The securities markets in some Asian economies are relatively underdeveloped and may subject the Fund to higher action costs or greater uncertainty than investments in more developed securities markets. Such risks may adversely affect the value of the Fund's investments.

## **8.8 Foreign Currency Risk**

In the event that the Fund's assets are invested in securities denominated in currencies other than the Base Currency, all or a portion of the proceeds received by the Fund from its investments and/or the revenues received from such underlying issuer will generally not be in the Base Currency. The Fund's exposure to foreign currencies and changes in the value of foreign currencies versus the Base Currency may result in reduced returns for the Fund. Moreover, the Fund may incur costs in connection with conversions between the Base Currency and foreign currencies. The value of an emerging market country's currency may be subject to a high degree of fluctuation. This fluctuation may be due to changes in interest rates, investors' expectations concerning inflation and interest rates, the emerging market country's debt levels and trade deficit, the effects of monetary policies issued by foreign governments, central banks or supranational entities, the imposition of currency controls or other national or global political or economic developments. The economies of certain emerging market countries can be significantly affected by currency devaluations. Certain emerging market countries may also have managed currencies which are maintained at artificial levels relative to the Base Currency rather than at levels determined by the market. This type of system could lead to sudden and large adjustments in the currency, which in turn, can have a negative effect on the Fund and its investments.

## **8.9 Equity Securities Risk**

The value of the equity securities held by the Fund may fall due to general market and economic conditions, perceptions regarding the markets in which the issuers of securities held by the Fund participate, or factors relating to specific issuers in which the Fund invests. For example, an adverse event, such as an unfavourable earnings report, may result in a decline in the value of equity securities of an issuer held by the Fund; the price of the equity securities of an issuer may be particularly sensitive to general movements in the securities markets; or a drop in the securities markets may depress the price of most or all of the equity securities held by the Fund. Equity securities are subordinated to preferred securities and debt in a company's capital structure with respect to priority in right to a share of corporate income, and therefore will be subject to greater dividend risk than preferred securities or debt instruments. In addition, while broad market measures of equity securities have historically generated higher average returns than fixed income securities, equity securities have also experienced significantly more volatility in those returns. A change in the financial condition, market perception or the credit rating of an issuer of securities included in the Fund's index may cause the value of its securities to decline.

## 8.10 Risk of Issuer-Specific Changes

The value of individual securities or particular types of securities in the Fund's portfolio can be more volatile than the market as a whole and can perform differently from the value of the market as a whole, which may have a greater impact if the Fund's portfolio is concentrated in a country, group of countries, region, market or asset class. The value of securities of smaller issuers can be more volatile than that of larger issuers. A change in the financial condition, market perception or the credit rating of an issuer of securities included in the Index may cause the value of its securities to decline.

## 8.11 Liquidity Risk

The Company provides daily liquidity. Under normal circumstances, all positions can be sold within a very short period of time without realising significant losses. However, unforeseen circumstances can give rise to abnormal conditions which could cause the Company to face liquidity risk. It could be unable to sell its positions as a result. The degree to which the securities in which the Fund invests can be traded affects the level of the actual buy and sell prices. This could mean that securities cannot be sold or can only be sold at a substantially lower price than the valuation assigned and the Fund may be unable to free up adequate funds to satisfy its purchase obligations. The bid/ask prices can deviate from the asset value of the share in the Fund, as a result of which the performance may deviate from that of the underlying Index or Indices, certainly in the event of limited liquidity on the market. To limit this risk, investments are only made in listed securities. In exceptional circumstances, if the purchase of shares in the Company is suspended for instance, there could be a risk that the investor may be unable to sell their investment at the desired moment or for a reasonable price. Given the open-ended character of the Company, it could be confronted with a high number of exits which would mean investments would have to be liquidated under potentially unfavourable conditions. This would negatively impact the value of the share. As described in this Prospectus, the purchase of shares may be (temporarily) suspended under certain circumstances.

## 8.12 Concentration Risk

The Fund's assets may be concentrated in a particular sector or sectors or industry or group of industries to the extent the Index concentrates in a particular sector or sectors or industry or group of industries. Accordingly, the Fund may be subject to the risk that economic, political or other conditions that have a negative effect on a particular industry or sector will negatively impact the Fund to a greater extent than if the Fund's assets were invested in a wider variety of sectors or industries.

The Fund may be particularly vulnerable to this risk because the Index is comprised of securities of a very limited number of issuers. The Fund's assets may be concentrated in a small number of stocks and/or may be concentrated in particular sectors which may subject the Fund to more risk than investments in a diverse group of companies and sectors.

## 9 DIVIDEND POLICY

It is not proposed that the Directors will declare a dividend in respect of the Fund. Full details of any change to the Fund's dividend policy will be provided in an updated Supplement and all Shareholders will be notified in advance.

## 10 KEY INFORMATION FOR PURCHASING AND SELLING

|                      |                 |
|----------------------|-----------------|
| <b>Base Currency</b> | US Dollar (USD) |
|----------------------|-----------------|

|                         |   |
|-------------------------|---|
| <b>Business Day</b>     | means every day other than a Saturday or Sunday (or such other day(s) as the Directors may from time to time determine and notify in advance to Shareholders).  |
| <b>Dealing Day</b>      | In general, each Business Day will be a Dealing Day. However, certain Business Days will not be Dealing Days where, in the sole determination of the Manager: (i) markets on which the Fund's investments are listed or traded, or markets relevant to the Index are closed, and/or (ii) there is a public holiday in the jurisdiction in which the Manager or its delegate(s), if applicable, is or are based; provided there is at least one Dealing Day per fortnight. The Dealing Days for the Fund are available at <a href="http://www.vaneck.com">www.vaneck.com</a> . |
| <b>Dealing Deadline</b> | 4:00 p.m. (Irish time) on the Business Day prior to the relevant Dealing Day.   |
| <b>Settlement Date</b>  | In the case of subscription(s), within 2 Business Days of the relevant Dealing Day.<br><br>In the case of repurchases, within 3 Business Days of the relevant Dealing Day.  |
| <b>Valuation Point</b>  | 11:00 p.m. (Irish time) on the relevant Dealing Day.  |
| <b>Website</b>          | Information on portfolio composition and details of intra-day portfolio value ( <b>iNAV</b> ) are set out on the website - <a href="http://www.vaneck.com">www.vaneck.com</a>   |

### Description of the Shares

|                                     |   |
|-------------------------------------|---|
| <b>Share Class</b>                  | A   |
| <b>ISIN</b>                         | IE000YYE6WK5  |
| <b>Initial Offer Period</b>         | The Initial Offer Period shall commence at 9:00 a.m. (Irish time) 13 March 2023 and close at 5.00 p.m. (Irish time) on 12 September 2023 as may be shortened or extended by the Directors and notified to the Central Bank. |
| <b>Initial Price</b>                | Approximately USD 20, plus an appropriate provision for Duties and Charges, or such other amount as determined by the Manager and communicated to investors prior to investment.  |
| <b>Creation Unit</b>                | 50,000 Shares or such other amount as may be determined by the Directors at their discretion.   |
| <b>Minimum Initial Subscription</b> | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Initial Subscription.   |



|                        |  |
|------------------------|--|
| <b>Minimum Holding</b> | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Holding. |
|------------------------|--|

## 11 CHARGES AND EXPENSES

The following fees and expenses will be incurred by the Company on behalf of the Fund and will affect the Net Asset Value of the relevant Class of Share of the Fund:

|                    |   |
|--------------------|---|
| <b>Share Class</b> | A   |
| <b>Total Fee</b>   | Up to 0.55% per annum or such lower amount as may be advised to Shareholders from time to time. |

The Total Fee, a percentage of the Net Asset Value of the relevant Class of Shares (plus VAT, if any), is payable by the Company out of the Fund Assets to the Manager. The Total Fee will accrue on each day and will be calculated on each Dealing Day and paid monthly in arrears. The Total Fee will cover all of the ordinary fees, operating costs and expenses payable by the Fund including fees and expenses paid to the Manager, all ordinary costs and expenses connected with the management and operating activities of the Fund, including investment management and advisory fees, Director's fees, registration, transfer agency, administration and custody fees, registrar fees, regulators and auditors and certain legal expenses of the Company. The Total Fee does not include extraordinary costs and expenses (including but not limited to transaction charges, stamp duty or other taxes on the investments of the Company including duty charges for portfolio re-balancing, withholding taxes, commissions and brokerage fees incurred with respect to the Company's investments, interest on any non-overdraft credit facility and charges incurred in negotiating, effecting or varying the terms of such facility, any commissions charged by intermediaries in relation to an investment in the Fund and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the Company all of which will be paid separately out of the assets of the Fund). The cost of establishing the Fund will be borne by the Manager.

This section entitled Charges and Expenses should be read in conjunction with the sections entitled General Charges and Expenses and Management Charges and Expenses in the Prospectus.

## 12 REGISTRATION FOR PUBLIC DISTRIBUTION AND LISTING

Application is expected to be made to register the Fund for public distribution in various countries.

Application will be made to list the Shares on Euronext and other stock exchanges. Through the operation of such a secondary market, persons who are not Authorised Participants or not able or willing to subscribe for and redeem Creation Units will be able to buy Shares from or sell Shares to other retail investors or market makers, broker/dealers, or other Authorised Participants at prices which should approximate, after currency conversion, the Net Asset Value of the Shares.

## 13 HOW TO BUY AND SELL SHARES

Investors can buy and sell Shares on the secondary market as described above in accordance with the procedures set out in the section entitled Secondary Market in the Prospectus.

Investors can otherwise subscribe for or redeem Creation Units in accordance with the procedures set out in the Prospectus.

## **14 SUSTAINABLE FINANCE DISCLOSURE**

The Manager has categorised the Fund as meeting the provisions set out in Article 6 of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector (“**SFDR**”) and does not follow a dedicated ESG investment strategy. The Fund does not have sustainable investment as its investment objective, nor does it promote environmental or social characteristics.

### **14.1 Sustainability Risks**

Sustainability risk is the risk that the value of an investment will decline as a result of an environmental, social or governance (ESG) event or circumstance. Ecological events include climate change, scarcity of natural resources and pollution. Social events may include labour issues and product liability. Governance can include themes such as shareholder rights, business ethics, diversity and executive remuneration. Sustainability risks can arise in all kinds of forms. With regard to the theme of climate, for example, there is a distinction between transition risks and physical risks, whereby transition risks can be divided into legal and regulatory risks, technological risks, market risks and reputation risks. In addition, the impact of sustainability risk has various scopes, including company-specific, sector-specific and on country level. The occurrence of a sustainability risk results in other (financial) risks manifesting. This can negatively affect the value of the investment.

Concrete examples of sustainability risks for the Fund are: a company has an overly generous remuneration policy or a remuneration policy that is inconsistent with the interests of the shareholders. Also, a company's reputation can deteriorate as a result of negative publicity about an environmental, social or labour issue that can cause the value of its stock to decline. The expected impact of sustainability risks on the return depends on the type of sustainability risk that materializes. For developed and emerging markets equity portfolios, this expected impact is generally viewed as significant.

### **14.2 Sustainability Risk Integration Features**

The Fund has a passive investment policy whereby the Fund aims to follow the Index as closely as possible. The Index has no specific sustainability characteristics. The Fund therefore does not have any specific sustainability characteristics. In order to fulfil its responsibility as a responsible investor and as a signatory to the United Nations Principles for Responsible Investments, the Manager applies the following measures:

#### **Exclusions**

Exclusions apply to this Fund as further outlined in section 2.2 of this Supplement and section 10 of the Prospectus.

#### **Voting**

The Manager can exercise his voting rights at shareholders' meetings, according to the Proxy Voting Policy. To assist in its responsibility for voting proxies and the overall voting process, the Manager has engaged an independent third party proxy voting specialist, Glass Lewis Europe Limited, which takes also Environmental, Social and Governance factors into account when casting votes.

In particular, the Glass Lewis ESG voting policy is applied:

- On the Environmental side, within others, measures in favour of increased disclosure of a company's environmental risk through company-specific disclosure as well as compliance with international environmental conventions and adherence to environmental principles will be supported. Similarly, the ESG Policy will support proposals requesting companies develop greenhouse gas emissions reduction goals, comprehensive recycling. The ESG Policy will evaluate a company's impact on the environment, in addition to the regulatory risk a company may face by not adopting environmentally responsible policies. Further, the ESG Policy will consider voting against directors for not appropriately overseeing environmental risk.
- On the Social side, the ESG Policy will support several proposals, including but not limited to requesting that a company develop sustainable business practices, such as animal welfare policies, human rights policies, and fair lending policies. Furthermore, the ESG Policy will also generally support enhancing the rights of workers, as well as considering the communities and broader constituents in the areas in which companies do business.
- On the Governance side, the ESG Policy supports, within other aspects, increased shareholder participation and access to a company and its board of directors. Accordingly, the ESG Policy will vote in favour of initiatives that seek to enhance shareholder rights, such as the introduction of majority voting to elect directors, the adoption and amendment of proxy access bylaws, the elimination/reduction of supermajority provisions, the declassification of the board, the submission of shareholder rights' plans to a shareholder vote, and the principle of one share, one vote.

## **Engagement**

The Manager appointed a third-party engagement specialist, Glass Lewis Europe Limited, for the passive equity funds managed by VanEck Asset Management B.V. The engagement provider determines the engagement approach in accordance with its engagement policy and based on its engagements' priorities.

### **14.3 Taxonomy disclosure**

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

## **15 OTHER INFORMATION**

New Funds may be created from time to time by the Directors with the prior approval of the Central Bank in which case further Supplements incorporating provisions relating to those Funds will be issued by the Company.

The names of the Funds currently approved by the Central Bank are listed in the Global Addendum.

## SCHEDULE 1

### DISCLAIMER

The Index is the exclusive property of MarketVector Indexes GmbH ("**MarketVector**"), a wholly owned subsidiary of the Manager, which has contracted with Solactive AG to maintain and calculate the Index. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards MarketVector, Solactive AG has no obligation to point out errors in the Index to third parties. The Fund is not sponsored, endorsed, sold or promoted by MarketVector and MarketVector makes no representation regarding the advisability of investing in the Fund. The Index is calculated weekdays between 01:00 and 22:40 (CET) and the Index values are disseminated to data vendors every 15 seconds on days when the US equity market is open for trading. The Index is disseminated in USD.

In accordance with Central Bank requirements, the Company and the Fund are required to provide details of the Index Provider's website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company and the Fund have no responsibility for the Index Provider's website and are not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof.

The indicative optimised portfolio value/intra-day portfolio value is calculated by S&P Global Ltd

**VANECK UCITS ETFs plc**

**Supplement dated 20 December 2024**

**for**

**VanEck US Fallen Angel High Yield Bond UCITS ETF**

This Supplement contains specific information in relation to the **VanEck US Fallen Angel High Yield Bond UCITS ETF** (the **Fund**), a sub-fund of **VanEck UCITS ETFs plc** (the **Company**), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank pursuant to the Regulations.

**This Supplement forms part of, may not be distributed unless accompanied by (other than to prior recipients of the Prospectus of the Company dated 20 December 2024, as may be amended, supplemented or modified from time to time), and should be read in conjunction with the Prospectus for the Company.**

THIS DOCUMENT IS IMPORTANT. YOU SHOULD NOT PURCHASE SHARES IN THE FUND DESCRIBED IN THIS SUPPLEMENT UNLESS YOU HAVE ENSURED THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT AND THE RISKS INVOLVED AND ARE SATISFIED THAT THE INVESTMENT IS SUITED TO YOUR CIRCUMSTANCES AND OBJECTIVES, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU ARE RECOMMENDED TO TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR.

The Directors of the Company whose names appear in the section entitled **Directors of the Company** in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

**The Fund may invest more than 30% of its Net Asset Value in securities which are below investment grade and accordingly investment in the Fund should not constitute a substantial portion of an investor's investment portfolio and may not be appropriate for all investors. Investors should also be aware of the potential for high volatility within the Fund.**

**Shares purchased on the secondary market cannot usually be sold directly back to the Fund. Investors must buy and sell Shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value when buying Shares and may receive less than the current Net Asset Value per Share when selling them.**

Certain risks attached to investments in the Fund are set out in the Prospectus in the section entitled **Risk Factors**.

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## **1 IMPORTANT INFORMATION**

### **1.1 Profile of a Typical Investor**

A typical investor is expected to be an informed investor who is able to bear capital and income risk, and should view investment in the Fund as a medium to long term investment. A typical investor is expected to be an investor who wishes to take exposure to the markets covered by the Fund's investment policy and is prepared to accept the risks associated with an investment of this type, including the volatility of such market.

### **1.2 General**

This Supplement sets out information in relation to the Shares and the Fund. You must also refer to the Prospectus which is separate to this document and describes the Company and provides general information about offers of shares in the Company. You should not take any action in respect of the Shares unless you have received a copy of the Prospectus. Should there be any inconsistency between the contents of the Prospectus and this Supplement, the contents of this Supplement will, to the extent of any such inconsistency, prevail. This Supplement and the Prospectus should both be carefully read in their entirety before any investment decision with respect to Shares is made.

The Shares of the Fund have been admitted to listing on the Official List and trading on the Regulated Market of Euronext Dublin. This Supplement together with the Prospectus includes all information required to be disclosed by Euronext Dublin listing requirements and comprise listing particulars for the purpose of listing the Shares of the Fund on Euronext Dublin.

Neither the admission of Shares of the Fund to listing on the Official List and to trading on the Regulated Market of Euronext Dublin nor the approval of the listing particulars pursuant to the listing requirements of Euronext Dublin shall constitute a warranty or representation by Euronext Dublin as to the competence of service providers to or any other party connected with the Fund, the adequacy of information contained in the listing particulars or the suitability of the Fund for investment purposes.

As of the date of this Supplement, the Company does not have any loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

### **1.3 Suitability of Investment**

You should inform yourself as to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Shares.

The Shares are not principal protected. The value of the Shares may go up or down and you may not get back the amount you have invested. See the section entitled Risk Factors of the Prospectus and the section entitled Risk Factors of this Supplement for a discussion of certain risks that should be considered by you.

An investment in the Shares is only suitable for you if you are a sophisticated investor and (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from

such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

## 1.4 Distribution of this Supplement and Selling Restrictions

Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus and is not authorised in any jurisdiction after publication of the audited annual report of the Company unless a copy of the then latest annual report and, if distributed after the semi-annual report has been produced, a copy of the then latest published semi-annual report and unaudited accounts is made available in conjunction with the Prospectus and this Supplement. The distribution of this Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. If you receive a copy of this Supplement and/or the Prospectus you may not treat such document(s) as constituting an offer, invitation or solicitation to you to subscribe for any Shares unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without compliance with any registration or other legal requirement other than those with which the Company has already complied. If you wish to apply for the opportunity to purchase any Shares it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile.

## 2 INVESTMENT OBJECTIVE AND POLICIES

### 2.1 Investment Objective

The Fund's investment objective is to replicate the price and performance, before fees and expenses, of an index that comprises the USD-denominated fixed income securities that were originally issued at investment grade rating but have since been downgraded to high yield.

### 2.2 Investment Policy

The Fund will seek to achieve its objective by investing in a diversified portfolio of fixed income bonds that, as far possible and practicable, consist of the components of the ICE US Fallen Angel High Yield 10% Constrained Index (the "**Index**"). The Fund will invest in a diversified portfolio of US dollar denominated below investment grade corporate (including 144a securities and pay-in-kind securities (a type of bond that pays interest in additional bonds)) fixed rate debt instruments publicly issued and traded in the US domestic market by both U.S. and non-U.S. issuers that (a) were rated investment grade at the time of issuance (a **Fallen Angel**) and which consist of the component securities that comprise the Index or (b) in certain limited circumstances, were original-issue high yield bonds from the same obligor entity whose bonds were already included in the Index and are senior or senior secured only. Further details in relation to the Index are set out in the section entitled **Information on the Index**.

The Fund will be 'passively' managed. The Investment Manager will regularly monitor the Fund's tracking accuracy. Information relating to the anticipated tracking error is set out in the section entitled **Investment Approach**.

Due to the practical difficulties and expense of purchasing all of the securities (debt instruments such as bonds) in the Index, the Fund does not purchase all of the securities in the Index. Instead, the Investment Manager utilises an optimisation or "sampling" methodology (as further detailed in the section entitled Investment Approach) in seeking to achieve the Fund's investment objective. As such, the Fund may purchase a subset of the securities in the Index in an effort to hold a portfolio of securities with generally the same risk and return characteristics of the Index. The Fund may concentrate its investments in a particular industry or group of industries or region to the extent that the Index concentrates in an industry or group of industries or region. The Fund might not invest in exactly the



same bonds as the Index, or it might not assign the same weighting to a specific bond included in the Index, or it might invest in bonds that are not included in the Index. It is not expected that the Fund would invest in securities outside the Index under normal circumstances.

**Fund may also (or alternatively) invest in financial derivative instruments (FDIs) which relate to the Index or constituents of the Index.** The FDIs which the Fund may use are futures, options (puts and calls), swaps (including fixed income swaps and swaps on the Index), currency forwards. Futures and options may be used in order to equitise (use) cash balances pending investment of subscription proceeds or other cash balances held by the Fund to seek to reduce tracking error. Currency forwards and NDFs may be used to hedge currency exposures. The Fund may use FDIs as an alternative to direct investment in the constituents of the Index in order to avail of the related cost or liquidity advantages of FDIs which may, in certain circumstances, be available over the direct investment in the constituents of the Index.

The Fund may also invest in ancillary liquid assets and money market instruments which may include bank deposits, depositary receipts, certificates of deposit, fixed or floating rate instruments (treasury bills), commercial paper, floating rate notes and freely transferable promissory notes. The ancillary liquid assets, money market instruments and FDI (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus. Investment in ancillary liquid assets and money market instruments may be utilised in a variety of circumstances, including but not limited to, situations such as managing total exposure to cash and borrowing on a short-term basis and in anticipation of participation in a rights offering.

## **2.3 Efficient Portfolio Management**

Investors should note that the Fund may invest in FDIs for efficient portfolio management or hedging purposes only. The Fund may use futures, options (puts and calls), swaps (including fixed income swaps and swaps on the Index), currency forwards for the purpose of reducing risk associated with currency exposures within the Fund and non-deliverable forwards (a forward contract that does not require settlement on maturity) (NDFs). This may on occasion lead to an increase in the risk profile of the Fund or result in a fluctuation in the expected level of volatility. Please see the section entitled **Risk Factors** in the Prospectus in relation to such risks.

The Fund will employ the commitment approach to assess the Fund's global exposure and to ensure that the Fund's use of derivative instruments is within the limits specified by the Central Bank. Global exposure will be calculated daily. While the Fund may be leveraged through the use of the FDIs, any such leverage will not exceed 100% of the Fund's Net Asset Value.

Investment in FDIs is subject to the conditions and limits contained in the CBI UCITS Regulations. Subject to these limits, the Fund may invest in FDIs dealt on any of the regulated markets set out in the list of Markets in Appendix II to the Prospectus (and/or over the counter FDIs (OTCs)) which will be used for efficient portfolio management and/or for hedging purposes.

The Company employs a risk management process which enables it to accurately measure, monitor and manage at any time the various risks associated with FDIs and their contribution to the overall risk profile of the portfolio of assets of the Fund. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments. The Fund will only invest in FDIs in accordance with the risk management policy prepared and submitted to the Central Bank in accordance with the Central Bank requirements.

The Fund may invest in FDIs dealt OTC provided that the counterparties to OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

Position exposure to the underlying assets of FDIs or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the CBI UCITS Regulations.

Please see in relation to FDI the section entitled Use of Financial Derivative Instruments and Efficient Portfolio Management in the Prospectus.

## 2.4 Securities Financing Transactions

While the Company may enter into securities financing transactions and repurchase agreements (**SFTs**) (as defined under Article 3 (11) of Regulation (EU) 2015/2365) (the **SFTR**), it is not anticipated that the Fund will enter into any SFTs. However, in the event that the Fund contemplates entering into such transactions, investors will be provided with further details of the structure and use of such transactions, together with any other information required to be disclosed to investors in accordance with Articles 13 and 14 of the SFTR. The Supplement will be updated accordingly in the event that the Fund will enter into any SFTs.

## 3 INVESTMENT APPROACH

The Fund, utilising a **passive** or indexing investment approach (i.e. the Fund will not be actively managed and will seek to replicate the Index), attempts to approximate the investment performance of the Index by investing in a portfolio of securities (diversified portfolio of US dollar denominated below investment grade corporate and quasi-government debt) that generally replicates the Index. Credit ratings deemed to be 'below investment grade' are defined as meeting the following rating criteria: a rating of Ba1 or lower by an internationally recognised rating agency.

In order to seek to achieve this investment objective, the Investment Manager, on behalf of the Fund, will invest, using the representative sampling approach described below, primarily in the securities of the Index, at all times in accordance with the Investment Restrictions set forth in the Prospectus. The Investment Manager also may, in exceptional circumstances such as the unavailability of certain bonds or securities due to social unrest, invest in securities not included in the Index but that it believes closely reflect the risk and distribution characteristics of securities of the Index. Details of the Fund's portfolio and the indicative net asset value per share for the Fund are available on the Website.

The representative sampling approach used by the Investment Manager seeks to build a representative portfolio that provides a return comparable to that of the Index. The Investment Manager uses a representative sampling approach for the Fund because the Index contains too many securities to efficiently purchase and, at times, certain securities included in the Index are difficult to purchase in the open markets. Consequently, the Fund will typically hold only a subset of the securities included in the Index. The securities held by the Fund, representing a subset of all the securities in the Index, will generally have the characteristics of the Index and are chosen with the intention of tracking the performance of the Index with a predicted level of tracking error.

In building the Fund's portfolio using the representative sampling approach, the Investment Manager will select certain securities within the Index rather than all of the Index securities, paying close attention to the overall weights and exposures, including, but not limited to, sector weights, individual issuer weights and interest rate risk in order to avoid unintended biases. Further, in exceptional circumstances, the Investment Manager may sell securities that are represented in the Index in anticipation of their removal from the Index or purchase securities not represented in the Index in anticipation of their

addition to the Index. The sampling process seeks to create an overall exposure that closely matches the Index.

Anticipated tracking error is based on the expected volatility of differences between the returns of the Fund and the returns of the Index. For a physically replicating exchange traded fund, one of the primary drivers of tracking error is the difference between the Fund's holdings and index constituents. Cash management, trading costs from rebalancing and withholding tax or stamp duty suffered by the Fund on any income received from its Investments can also have an impact on tracking error as well as the return differential between the Fund and the Index. The impact can be either positive or negative depending on the underlying circumstances. The anticipated tracking error of the Fund is not a guide to its future performance. The annualised tracking error envisaged is not anticipated to exceed 1.3% under normal market conditions.

#### **4 INVESTMENT MANAGER**

Van Eck Associates Corporation has been appointed as the investment manager to the Fund. Please see the section entitled Investment Manager in the Prospectus for further details in relation to Van Eck Associates Corporation

#### **5 INFORMATION ON THE INDEX**

The Index tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market and that were (a) rated investment grade at the point of issuance or (b) in certain limited circumstances, were original-issue high yield bonds from the same obligor entity whose bonds were already included in the Index and are senior or senior secured only.

Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of \$250 million. The Index may be concentrated in the consumer discretionary, energy, information technology, financials and industrial sectors. In addition, qualifying securities must have risk exposure to countries that are members of the FX-G10, Western Europe or territories of the US and Western Europe. The FX-G10 includes all Euro members, the US, Japan, the UK, Canada, Australia, New Zealand, Switzerland, Norway and Sweden.

Original issue zero coupon bonds (a debt security that doesn't pay interest (a coupon) but is traded at a discount), 144a securities (with and without registration rights), and pay-in-kind securities (type of bond that pays interest in additional bonds) including toggle notes (payment-in-kind bond, where the issuer has the option to defer an interest payment by agreeing to pay an increased coupon in the future) are included in the Index.

Callable perpetual securities (securities with no fixed maturity but may be called by the issuer until a predefined date) are included provided they are at least one year from the first call date. Fixed-to-floating rate securities (for example, subordinated bank debt may have a fixed coupon and a call option embedded where the fixed coupon may be changed to a floating rate coupon on the occurrence of a specific event) are included provided they are callable within the fixed rate period and are at least one year from the last call prior to the date the bond transitions from a fixed to a floating rate security.

Capital securities (hybrid securities that combine the features of both corporate bonds and preferred stock for example, a convertible bond) where conversion can be mandated by a regulatory authority, but which have no specified trigger, are included in the Index. Other hybrid capital securities (for example a convertible bond), such as those issues that potentially convert into preference shares, those

with both cumulative and non-cumulative coupon deferral provisions, and those with alternative coupon satisfaction mechanisms, are also included in the Index.

Securities issued or marketed primarily to retail investors, equity-linked securities, securities in legal default, hybrid securitized corporates, eurodollar bonds (USD securities not issued in the US domestic market), taxable and tax-exempt US municipal securities and \$1000 par preferred and DRD-eligible securities are excluded from the Index.

Index constituents are market capitalization weighted, provided the total allocation to an individual issuer does not exceed 10%. Issuers that exceed the limit are reduced to 10% and the face value of each of their bonds is adjusted on a pro-rata basis. Similarly, the face values of bonds of all other issuers that fall below the 10% cap are increased on a pro-rata basis.

In the event there are fewer than 10 issuers in the Index, each is equally weighted and the face values of their respective bonds are increased or decreased on a pro-rata basis. Accrued interest is calculated assuming next-day settlement. Cash flows from bond payments that are received during the month are retained in the index until the end of the month and then are removed as part of the rebalancing. Cash does not earn any reinvestment income while it is held in the index. Information concerning constituent bond prices, timing and conventions and index governance and administration is provided in the ICE BofA Bond Index Methodologies, which can be accessed on our public website (<https://indices.ice.com>), or by sending a request to [iceindices@ice.com](mailto:iceindices@ice.com).

On any rebalance, should the full market value of the Index fall below \$50 billion (the “trigger event”), the Index will add a portion of original-issue high yield debt from the ICE BofA US Original Issue High Yield Index (the “OI Index”) to bring the full market value of the Index to \$60 billion. Only securities from the OI Index that are issued by an obligor entity that also issued securities currently in the Index and are ranked senior or senior secured will qualify for inclusion in the Index. All qualifying securities from the OI Index are selected and added at a pro rata share of the amount necessary to bring the full market value of the Index to \$60 billion, subject to the capping limit. Once included, the constituents added from the OI Index will remain in the Index for as long as those securities continue to qualify for the OI Index and the full market value of the Index remains below \$60 billion. If the full market value of the Index subsequently exceeds \$60 billion, the weights of the OI Index constituents will be reduced by half at that rebalance. If the full market value of the Index exceeds \$60 billion at the following rebalancing, the remainder of the OI Index constituents in the Index will be removed. If the full market value of the Index does not exceed \$60 billion at the next rebalancing, the process repeats until the full market value of the Index exceeds \$60 billion for two consecutive monthly rebalances, or the full market value of the Index exceeds \$60 billion, and the remaining combined weight of the OI Index constituents is less than 1% of the Index.

The Index is rebalanced on the last calendar day of the month, based on information available up to and including the third business day before the last business day of the month. New issues must settle on or before the following calendar month end in order to qualify for the coming month. No changes are made to constituent holdings other than on month end rebalancing dates.

## 6 INDEX PROVIDER

The Index is published by ICE Data Indices, LLC (the **Index Provider**). The Index Provider does not sponsor, endorse, or promote the Fund and bears no liability with respect to the Fund or any security.

In accordance with Central Bank requirements, the Company is required to provide details of the Index Provider’s website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company has no responsibility for the Index Provider’s website and is not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the

Index Provider's website or the contents thereof. Further information in relation to the Index may be found on the Index Provider's website, <https://indices.ice.com>

## 7 INVESTMENT RESTRICTIONS

The general investment restrictions as set out in the Prospectus shall apply. The Fund may not invest more than 10% of its Net Asset Value in open-ended collective investment schemes.

There may be instances where the weighting of any constituent security of the Index could cause the Fund to breach the investment restrictions set out in the Prospectus. If such an event occurs, it is intended that the Fund will purchase other assets, the effect of which will seek to maintain, so far as is possible, the same economic exposure to and the same weighting of the security of that issuer in the Index without breaching its investment restrictions.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders.

## 8 BORROWING

The Fund may borrow money in an amount up to 10% of the market value of its net assets at any time for the account of any Fund and the Depositary may charge the assets of the Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Fund may acquire currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of the Regulations provided that the offsetting deposit is denominated in the Base Currency of the Fund and equals or exceeds the value of the foreign currency loan outstanding.

## 9 RISK FACTORS

The general risk factors as set out in the section entitled **Risk Factors** in the Prospectus apply.

Investors in the Fund should be willing to accept a high degree of volatility in the price of the Fund's Shares and the possibility of significant losses. An investment in the Fund involves a substantial degree of risk. Therefore, you should consider carefully the following risks before investing in the Fund.

An investment in the Fund may be subject to risks which include, among others, material transaction cost from rebalancing activity and fluctuations in the value of securities held by the Fund due to market and economic conditions or factors relating to specific issuers.

The value of investments and the income from them, and therefore the value of and income from the Shares can go down as well as up and an investor may not get back the amount invested. The Fund's exposure is based on the performance of the Index securities which, in turn, is exposed to general market movements (negative as well as positive).

Certain additional risks may also be associated with the Fund, including, without limitation:

### 9.1 High Yield Securities Risk

Securities rated below investment grade are commonly referred to as high yield securities or "junk bonds." High yield securities are often issued by issuers that are restructuring, are smaller or less creditworthy than other issuers, or are more highly indebted than other issuers. High yield securities are subject to greater risk of loss of income and principal than higher rated securities and are considered speculative. The prices of high yield securities are likely to be more sensitive to adverse economic

changes or individual issuer developments than higher rated securities. During an economic downturn or substantial period of rising interest rates, high yield security issuers may experience financial stress that would adversely affect their ability to service their principal and interest payment obligations, to meet their projected business goals or to obtain additional financing. In the event of a default, the Fund may incur additional expenses to seek recovery. The secondary market for securities that are high yield securities may be less liquid than the markets for higher quality securities, and high yield securities issued by non-corporate issuers may be less liquid than high yield securities issued by corporate issuers, which, in either instance, may have an adverse effect on the market prices of and the Fund's ability to arrive at a fair value for certain securities. The illiquidity of the market also could make it difficult for the Fund to sell certain securities in connection with a rebalancing of the Index. In addition, periods of economic uncertainty and change may result in an increased volatility of market prices of high yield securities and a corresponding volatility in the Fund's net asset value ("NAV").

## **9.2 Credit Risk**

The issuer or guarantor of a debt security may be unable and/or unwilling to make timely interest payments and/or repay the principal on its debt or to otherwise honour its obligations. Bonds are subject to varying degrees of credit risk which may be reflected in credit ratings. There is a possibility that the credit rating of a bond may be downgraded after purchase, which may adversely affect the value of the security.

## **9.3 Risk of Investing in Foreign Securities**

Investments in the securities of foreign issuers involve risks beyond those associated with investments in U.S. securities. These additional risks include greater market volatility, the availability of less reliable financial information, higher transactional and custody costs, taxation by foreign governments, decreased market liquidity and political instability. Because certain foreign securities markets may be limited in size, the activity of large traders may have an undue influence on the prices of securities that trade in such markets. The Fund invests in securities of issuers located in countries whose economies are heavily dependent upon trading with key partners. Any reduction in this trading may have an adverse impact on the Fund's investments.

## **9.4 Risk of Investing in the Energy Sector**

The Fund will be sensitive to, and its performance will depend to a greater extent on, the overall condition of the energy sector. Companies operating in the energy sector are subject to risks including, but not limited to, economic growth, worldwide demand, political instability in the regions that the companies operate, government regulation stipulating rates charged by utilities, interest rate sensitivity, oil price volatility, energy conservation, environmental policies, depletion of resources, the cost of providing the specific utility services and other factors that they cannot control. Oil prices are subject to significant volatility, which has adversely impacted companies operating in the energy sector. In addition, these companies are at risk of civil liability from accidents resulting in injury, loss of life or property, pollution or other environmental damage claims and risk of loss from terrorism and natural disasters. A downturn in the energy sector of the economy, adverse, legislative or regulatory developments or other events could have a larger impact on the Fund than on an investment company that does not invest a substantial portion of its assets in the energy sector. At times, the performance of securities of companies in the energy sector may lag the performance of other sectors or the broader market as a whole. The price of oil, natural gas and other fossil fuels may decline and/or experience significant volatility, which could adversely impact companies operating in the energy sector.

## **9.5 Risk of Investing in the Consumer Discretionary Sector**

The Fund will be sensitive to, and its performance will depend to a greater extent on, the overall condition of the consumer discretionary sector. The consumer discretionary sector comprises companies whose businesses are sensitive to economic cycles, such as manufacturers of high-end apparel and automobile and leisure companies. Companies engaged in the consumer discretionary sector are subject to fluctuations in supply and demand. These companies may also be adversely affected by changes in consumer spending as a result of world events, political and economic conditions, commodity price volatility, changes in exchange rates, imposition of import controls, increased competition, depletion of resources and labour relations.

#### **9.6 Risk of Investing in the Information Technology Sector**

The Fund will be sensitive to, and its performance will depend to a greater extent on, the overall condition of the information technology sector. Information technology companies face intense competition, both domestically and internationally, which may have an adverse effect on profit margins. Information technology companies may have limited product lines, markets, financial resources or personnel. The products of information technology companies may face product obsolescence due to rapid technological developments and frequent new product introduction, unpredictable changes in growth rates and competition for the services of qualified personnel. Companies in the information technology sector are heavily dependent on patent protection and the expiration of patents may adversely affect the profitability of these companies.

#### **9.7 Risk of Investing in the Financial Services Sector**

Companies in the financial services sector may be subject to extensive government regulation that affects the scope of their activities, the prices they can charge and the amount of capital they must maintain. The profitability of companies in the financial services sector may be adversely affected by increases in interest rates, by loan losses, which usually increase in economic downturns, and by credit rating downgrades. In addition, the financial services sector is undergoing numerous changes, including continuing consolidations, development of new products and structures and changes to its regulatory framework. Furthermore, some companies in the financial services sector perceived as benefitting from government intervention in the past may be subject to future government-imposed restrictions on their businesses or face increased government involvement in their operations. Increased government involvement in the financial services sector, including measures such as taking ownership positions in financial institutions, could result in a dilution of each Fund's investments in financial institutions. Recent developments in the credit markets may cause companies operating in the financial services sector to incur large losses, experience declines in the value of their assets and even cease operations.

#### **9.8 Risk of Investing in the Industrial Sector**

Companies in the industrials sector may be adversely affected by changes in government regulation, world events and economic conditions. In addition, companies in the industrials sector may be adversely affected by environmental damages, product liability claims and exchange rates. The stock prices of companies in the industrials sector are affected by supply and demand both for their specific product or service and for industrial sector products in general. The products of manufacturing companies may face product obsolescence due to rapid technological developments and frequent new product introduction. In addition, the industrials sector may also be adversely affected by changes or trends in commodity prices, which may be influenced or characterised by unpredictable factors.

#### **9.9 Risk of Investing in the Real Estate Sector**

Companies in the real estate sector include companies that invest in real estate, such as REITs and real estate management and development companies. The Fund will be sensitive to changes in, and its performance will depend to a greater extent on, the overall condition of the real estate sector.

Companies that invest in real estate are subject to the risks of owning real estate directly as well as to risks that relate specifically to the way that such companies operate, including management risk (such companies are dependent upon the management skills of a few key individuals and may have limited financial resources). Adverse economic, business or political developments affecting real estate could have a major effect on the values of the Fund's investments. Investing in real estate is subject to such risks as decreases in real estate values, overbuilding, increased competition and other risks related to local or general economic conditions, increases in operating costs and property taxes, changes in zoning laws, casualty or condemnation losses, possible environmental liabilities, regulatory limitations on rent, possible lack of availability of mortgage financing, market saturation, fluctuations in rental income and the value of underlying properties and extended vacancies of properties. Certain real estate securities have a relatively small market capitalization, which may tend to increase the volatility of the market price of these securities. Real estate securities have limited diversification and are, therefore, subject to risks inherent in operating and financing a limited number of projects. Real estate securities are also subject to heavy cash flow dependency and defaults borrowers or tenants.

#### **9.10 Interest Rate Risk**

Debt securities, such as bonds, are subject to interest rate risk. Interest rate risk refers to fluctuations in the value of a bond resulting from changes in the general level of interest rates. When the general level of interest rates goes up, the prices of most debt securities go down. When the general level of interest rates goes down, the prices of most debt securities go up. Many factors can cause interest rates to rise, including central bank monetary policy, rising inflation rates and general economic conditions. The prevailing historically low interest rate environment increases the risks associated with rising interest rates, including the potential for periods of volatility and increased redemptions. In addition, debt securities with longer durations tend to be more sensitive to interest rate changes, usually making them more volatile than debt securities with shorter durations. In response to the COVID-19 pandemic, as with other serious economic disruptions, governmental authorities and regulators are enacting significant fiscal and monetary policy changes, including providing direct capital infusions into companies, creating new monetary programs and lowering interest rates. These actions present heightened risks to debt instruments, and such risks could increase if these actions are unexpectedly or suddenly reversed or are ineffective in achieving their desired outcomes.

#### **9.11 Call Risk**

The Fund may invest in callable bonds. If interest rates fall, it is possible that issuers of callable securities will "call" (or prepay) their bonds before their maturity date. If a call were exercised by the issuer during or following a period of declining interest rates, the Fund is likely to have to replace such call security with a lower yielding security or securities with greater risks or other less favourable features. If that were to happen, it would decrease the Fund's net investment income.

#### **9.12 Risk of Subordinated Obligations**

Payments under some below investment grade corporate and quasi-government debt securities may be structurally subordinated to all existing and future liabilities and obligations of each of the respective subsidiaries and associated companies of an issuer of securities. Claims of creditors of such subsidiaries and associated companies will have priority as to the assets of such subsidiaries and associated companies over the issuer and its creditors, including the Fund, who seek to enforce the terms of these securities. Certain below investment grade corporate and quasi-government debt securities do not contain any restrictions on the ability of the subsidiaries of the issuers to incur additional unsecured indebtedness.

#### **9.13 Restricted Securities Risk**



Rule 144A securities are restricted securities. Restricted securities are securities that are not registered under the Securities Act of 1933, as amended (the **Securities Act**). They may be less liquid and more difficult to value than other investments because such securities may not be readily marketable. The Fund may not be able to sell a restricted security promptly or at a reasonable time or price. Although there may be a substantial institutional market for these securities, it is not possible to predict exactly how the market for such securities will develop or whether it will continue to exist. A restricted security that was liquid at the time of purchase may subsequently become illiquid and its value may decline as a result. In addition, transaction costs may be higher for restricted securities than for more liquid securities. The Fund may have to bear the expense of registering restricted securities for resale and the risk of substantial delays in effecting the registration. Companies may also be adversely affected by changes in consumer spending as a result of world events, political and economic conditions, commodity price volatility, changes in exchange rates, imposition of import controls, increased competition, depletion of resources and labour relations.

#### 9.14 Concentration Risk

The Fund's assets may be concentrated in a particular sector or sectors or industry or group of industries to the extent the Index concentrates in a particular sector or sectors or industry or group of industries. To the extent that the Fund's investments are concentrated in a particular sector or sectors or industry or group of industries, the Fund will be subject to the risk that economic, political or other conditions that have a negative effect on that sector or sectors or industry or group of industries will negatively impact the Fund to a greater extent than if the Fund's assets were invested in a wider variety of sectors or industries.

#### 9.15 Risk of Issuer-Specific Changes

The value of individual securities or particular types of securities in the Fund's portfolio can be more volatile than the market as a whole and can perform differently from the value of the market as a whole, which may have a greater impact if the Fund's portfolio is concentrated in a country, group of countries, region, market or asset class. The value of securities of smaller issuers can be more volatile than that of larger issuers. A change in the financial condition, market perception or the credit rating of an issuer of securities included in the Index may cause the value of its securities to decline.

### 10 DIVIDEND POLICY

It is not proposed that the Directors will declare a dividend in respect of the Fund. Full details of any change to the Fund's dividend policy will be provided in an updated Supplement and all Shareholders will be notified in advance.

### 11 KEY INFORMATION FOR PURCHASING AND SELLING

|                      |  |
|----------------------|--|
| <b>Base Currency</b> | US Dollar ( <b>USD</b> ).  |
| <b>Business Day</b>  | means every day other than a Saturday or Sunday (or such other day(s) as the Directors may from time to time determine and notify in advance to Shareholders).   |
| <b>Dealing Day</b>   | In general, each Business Day will be a Dealing Day. However, certain Business Days will not be Dealing Days where, in the sole determination of the Investment Manager: (i) markets on which the Fund's investments are listed or traded, or markets relevant to the Index are closed, and/or (ii) there is a public holiday in the jurisdiction in which the Investment Manager or its delegate(s), if applicable, |

|                         |  |
|-------------------------|--|
|                         | is or are based; provided there is at least one Dealing Day per fortnight. The Dealing Days for the Fund are available at <a href="http://www.vaneck.com">www.vaneck.com</a> . |
| <b>Dealing Deadline</b> | 4:00 p.m. (Irish time) on the relevant Dealing Day.  |
| <b>Settlement Date</b>  | In the case of subscription(s), within 2 Business Days of the relevant Dealing Day.<br><br>In the case of repurchases, within 3 Business Days of the relevant Dealing Day.     |
| <b>Valuation Point</b>  | 11:00 p.m. (Irish time) on the relevant Dealing Day.   |
| <b>Website</b>          | Information on portfolio composition and details of intra-day portfolio value (iNAV) are set out on the website – <a href="http://www.vaneck.com">www.vaneck.com</a>           |

## Description of the Shares

|                                     |   |
|-------------------------------------|---|
| <b>Share Class</b>                  | A   |
| <b>ISIN</b>                         | IE000J6CHW80  |
| <b>Initial Offer Period</b>         | The Initial Offer Period shall commence at 9:00 a.m. (Irish time) 4 August 2023 and close at 5.00 p.m. (Irish time) on 2 February 2024 as may be shortened or extended by the Directors and notified to the Central Bank. |
| <b>Initial Price</b>                | Approximately USD 20, plus an appropriate provision for Duties and Charges, or such other amount as determined by the Investment Manager and communicated to investors prior to investment.                               |
| <b>Creation Unit</b>                | 50,000 Shares or such other amount as may be determined by the Directors at their discretion.   |
| <b>Minimum Initial Subscription</b> | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Initial Subscription.   |
| <b>Minimum Holding</b>              | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Holding.  |

## 12 CHARGES AND EXPENSES

The following fees and expenses will be incurred by the Company on behalf of the Fund and will affect the Net Asset Value of the relevant Class of Share of the Fund:

|                    |   |
|--------------------|---|
| <b>Share Class</b> | A |
|--------------------|---|

|                  |   |
|------------------|---|
| <b>Total Fee</b> | Up to 0.35% per annum or such lower amount as may be advised to Shareholders from time to time. |
|------------------|---|

The Total Fee, a percentage of the Net Asset Value of the relevant Class of Shares (plus VAT, if any), is payable by the Company out of the Fund Assets to the Manager. The Total Fee will accrue on each day and will be calculated on each Dealing Day and paid monthly in arrears. The Total Fee will cover all of the ordinary fees, operating costs and expenses payable by the Fund including fees and expenses paid to the Manager, all ordinary costs and expenses connected with the management and operating activities of the Fund, including investment management and advisory fees, Director's fees, registration, transfer agency, administration and custody fees, registrar fees, regulators and auditors and certain legal expenses of the Company. The Total Fee does not include extraordinary costs and expenses (including but not limited to transaction charges, stamp duty or other taxes on the investments of the Company including duty charges for portfolio re-balancing, withholding taxes, commissions and brokerage fees incurred with respect to the Company's investments, interest on any non-overdraft credit facility and charges incurred in negotiating, effecting or varying the terms of such facility, any commissions charged by intermediaries in relation to an investment in the Fund and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the Company all of which will be paid separately out of the assets of the Fund). The cost of establishing the Fund will be borne by the Manager.

This section entitled **Charges and Expenses** should be read in conjunction with the sections entitled **General Charges and Expenses** and **Management Charges and Expenses** in the Prospectus.

## 13 REGISTRATION FOR PUBLIC DISTRIBUTION AND LISTING

Application is expected to be made to register the Fund for public distribution in various European countries.

Application will be made to list the Shares on Euronext Dublin and other stock exchanges. Through the operation of such a secondary market, persons who are not Authorised Participants or not able or willing to subscribe for and redeem Creation Units will be able to buy Shares from or sell Shares to other retail investors or market makers, broker/dealers, or other Authorised Participants at prices which should approximate, after currency conversion, the Net Asset Value of the Shares.

## 14 HOW TO BUY AND SELL SHARES

Investors can buy and sell Shares on the secondary market as described above in accordance with the procedures set out in the section entitled **Secondary Market** in the Prospectus.

Investors can otherwise subscribe for or redeem Creation Units in accordance with the procedures set out in the Prospectus.

## 15 SUSTAINABLE FINANCE DISCLOSURE

The Manager has categorised the Fund as meeting the provisions set out in with Article 6 of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector ("**SFDR**") and does not follow a dedicated ESG investment strategy. The Fund does not have sustainable investment as its investment objective, nor does it promote environmental or social characteristics.

### 15.1 Sustainability Risks

Sustainability risk is the risk that the value of an investment will decline as a result of an environmental, social or governance (ESG) event or circumstance. Ecological events include climate change, scarcity of natural resources and pollution. Social events may include labour issues and product liability. Governance can include themes such as shareholder rights, business ethics, diversity and executive remuneration. Sustainability risks can arise in all kinds of forms. With regard to the theme of climate, for example, there is a distinction between transition risks and physical risks, whereby transition risks can be divided into legal and regulatory risks, technological risks, market risks and reputation risks. In addition, the impact of sustainability risk has various scopes, including company-specific, sector-specific and on country level. The occurrence of a sustainability risk results in other (financial) risks manifesting. This can negatively affect the value of the investment.

Concrete examples of sustainability risks for the Fund are: a company has an overly generous remuneration policy or a remuneration policy that is inconsistent with the interests of bondholders. This can cause the bond's creditworthiness to decline. Also, a company's reputation can deteriorate as a result of negative publicity about an environmental, social or labour issue that can lower its creditworthiness. Furthermore, a company can be negatively affected by climate change, which can cause its creditworthiness to decline. The expected impact of sustainability risks on the return depends on the type of sustainability risk that materializes. For developed market bonds, this expected impact is generally viewed as significant.

## **15.2 Sustainability Risk Integration Features**

The Fund has a passive investment policy whereby the Fund aims to follow the Index as closely as possible. The Index has no specific sustainability characteristics. The Fund therefore does not have any specific sustainability characteristics. In order to fulfil its responsibility as a responsible investor and as a signatory to the United Nations Principles for Responsible Investments, the Investment Manager applies the following measures:

### **Exclusions**

Exclusions apply to this Sub-Fund as further outlined in section 10 of the Prospectus.

## **15.3 Taxonomy Disclosure**

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

## **16 OTHER INFORMATION**

New Funds may be created from time to time by the Directors with the prior approval of the Central Bank in which case further Supplements incorporating provisions relating to those Funds will be issued by the Company.

The names of the Funds currently approved by the Central Bank are listed in the Global Addendum.

## SCHEDULE 1 INDEX DISCLAIMERS

VanEck US Fallen Angel High Yield Bond UCITS ETF (the **Fund**) is not sponsored, endorsed, sold or promoted by ICE Data Indices, LLC (the **Index Provider**). The Index Provider has not passed on the legality or suitability of, or the accuracy or adequacy of descriptions and disclosures relating to the Fund, nor makes any representation or warranty, express or implied, to the owners of the Fund or any member of the public regarding the Fund or the advisability of investing in the Fund, particularly the ability of the ICE US Fallen Angel High Yield 10% Constrained Index (the **Index**) to track performance of any market or strategy. The Index is determined, composed and calculated by the Index Provider without regard to the Fund or its holders. The Index Provider has no obligation to take the needs of the holders of the Fund into consideration in determining, composing or calculating the Index. The Index Provider is not responsible for and has not participated in the determination of the timing of, prices of, or quantities of the Fund to be issued or in the determination or calculation of the equation by which the Fund is to be priced, sold, purchased, or redeemed. The Index Provider has no obligation or liability in connection with the administration, marketing, or trading of the Fund.

THE INDEX PROVIDER DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE INDEX OR ANY DATA INCLUDED THEREIN AND THE INDEX PROVIDER SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, UNAVAILABILITY, OR INTERRUPTIONS THEREIN. THE INDEX PROVIDER MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE MANAGER, HOLDERS OF THE FUND OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEX OR ANY DATA INCLUDED THEREIN. THE INDEX PROVIDER MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, WITH RESPECT TO THE INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL THE INDEX PROVIDER HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, INCIDENTAL, CONSEQUENTIAL DAMAGES, OR LOST PROFITS, EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

The Index and ICE Data Indices are trademarks of ICE Data Indices, LLC or its affiliates and have been licensed for use by the Manager.

The indicative optimised portfolio value/intra-day portfolio value is calculated by S&P Global Ltd.

**VANECK UCITS ETFs plc**

**Supplement dated 20 December 2024**

**for**

**VanEck Morningstar US Wide Moat UCITS ETF**

This Supplement contains specific information in relation to the **VanEck Morningstar US Wide Moat UCITS ETF** (the **Fund**), a sub-fund of VanEck UCITS ETFs plc (the **Company**), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank pursuant to the Regulations.

**This Supplement forms part of, may not be distributed unless accompanied by (other than to prior recipients of the Prospectus of the Company dated 20 December 2024, as may be amended, supplemented, or modified from time to time), and should be read in conjunction with the Prospectus for the Company.**

THIS DOCUMENT IS IMPORTANT. YOU SHOULD NOT PURCHASE SHARES IN THE FUND DESCRIBED IN THIS SUPPLEMENT UNLESS YOU HAVE ENSURED THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT AND THE RISKS INVOLVED AND ARE SATISFIED THAT THE INVESTMENT IS SUITED TO YOUR CIRCUMSTANCES AND OBJECTIVES, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU ARE RECOMMENDED TO TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR.

The Directors of the Company whose names appear in the section entitled **Directors of the Company** in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

**Shares purchased on the secondary market cannot usually be sold directly back to the Fund. Investors must buy and sell Shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value when buying Shares and may receive less than the current Net Asset Value per Share when selling them.**

Certain risks attached to investments in the Fund are set out in the Prospectus in the section entitled Risk Factors.

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## **1 IMPORTANT INFORMATION**

### **1.1 Profile of a typical investor**

A typical investor is expected to be an informed investor who is able to bear capital and income risk, and should view investment in the Fund as a medium to long term investment. A typical investor is expected to be an investor who wishes to take exposure to the markets covered by the Fund's investment policy and is prepared to accept the risks associated with an investment of this type, including the volatility of such market.

### **1.2 General**

This Supplement sets out information in relation to the Shares and the Fund. You must also refer to the Prospectus which is separate to this document and describes the Company and provides general information about offers of shares in the Company. You should not take any action in respect of the Shares unless you have received a copy of the Prospectus. Should there be any inconsistency between the contents of the Prospectus and this Supplement, the contents of this Supplement will, to the extent of any such inconsistency, prevail. This Supplement and the Prospectus should both be carefully read in their entirety before any investment decision with respect to Shares is made.

The Shares of the Fund have been admitted to listing on the Official List and trading on the Regulated Market of Euronext Dublin. This Supplement together with the Prospectus includes all information required to be disclosed by Euronext Dublin listing requirements and comprise listing particulars for the purpose of listing the Shares of the Fund on Euronext Dublin.

Neither the admission of Shares of the Fund to listing on the Official List and to trading on the Regulated Market of Euronext Dublin nor the approval of the listing particulars pursuant to the listing requirements of Euronext Dublin shall constitute a warranty or representation by Euronext Dublin as to the competence of service providers to or any other party connected with the Fund, the adequacy of information contained in the listing particulars or the suitability of the Fund for investment purposes.

As of the date of this Supplement, the Company does not have any loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

### **1.3 Suitability of Investment**

You are advised to inform yourself as to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Shares.

The Shares are not principal protected. The value of the Shares may go up or down and you may not get back the amount you have invested. See the section entitled Risk Factors of the Prospectus and the section entitled Risk Factors of this Supplement for a discussion of certain risks that should be considered by you.

An investment in the Shares is only suitable for you if you are a sophisticated investor and (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from



such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

## 1.4 Distribution of this Supplement and Selling Restrictions

Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus and is not authorised in any jurisdiction after publication of the audited annual report of the Company unless a copy of the then latest annual report and, if distributed after the semi-annual report has been produced, a copy of the then latest published semi-annual report and unaudited accounts is made available in conjunction with the Prospectus and this Supplement. The distribution of this Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. If you receive a copy of this Supplement and/or the Prospectus you may not treat such document(s) as constituting an offer, invitation or solicitation to you to subscribe for any Shares unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without compliance with any registration or other legal requirement other than those with which the Company has already complied. If you wish to apply for the opportunity to purchase any Shares it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile.

## 2 INVESTMENT OBJECTIVE AND POLICIES

### 2.1 Investment Objective

The Fund's investment objective is to replicate the price and the performance, before fees and expenses, of an index that provides exposure to companies which are rated as wide moat companies (being a company which it is believed will have sustainability in its competitive advantage(s)) and have the lowest current market price/ fair value price determined in an independent research process.

### 2.2 Investment Policy

In order to seek to achieve its investment objective, the Manager will normally use a replication strategy by investing directly in the underlying equity securities of Morningstar® Wide Moat Focus Index™ (the "**Index**") being the equity stocks, American depository receipts (ADRs), and global depository receipts (GDRs) that consists of the component securities of the Index. Such equity securities must be issued by companies listed or traded on the Markets referred to in Appendix II of the Prospectus.

The Fund will seek the prior approval of the Central Bank should the Fund seek to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. In exceptional market circumstances, such as, but not limited to, a material price movement impacting the weighting of an underlying equity security of the Index or disruptive market conditions or extremely volatile markets, an underlying equity security of the Index which is held by the Fund may exceed the regulatory limits intra rebalancing dates which would result in the Fund seeking to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. Where it is not practical or cost efficient for the Fund to fully replicate the Index, the Manager may utilise an optimised sampling methodology. Further detail with respect of this approach is set out in the section entitled Investment Approach below.

**The Fund may also (or alternatively) invest in financial derivative instruments (FDIs) which relate to the Index or constituents of the Index.** The FDIs which the Fund may use are futures, options (puts and calls), swaps (including equity swaps and swaps on the Index), currency forwards and non-deliverable forwards (a forward contract that does not require settlement on maturity) (NDFs). Futures and options may be used in order to equitise (use) cash balances pending investment of subscription proceeds or other cash balances held by the Fund to seek to reduce tracking error. Currency forwards and NDFs may be used to hedge currency exposures. The Fund may use FDIs as an alternative to

direct investment in the constituents of the Index in order to avail of the related cost or liquidity advantages of FDIs which may, in certain circumstances, be available over the direct investment in the constituents of the Index. The Fund may also use American depository receipts (ADRs) or global depository receipts (GDRs) to gain exposure to equity securities instead of using physical securities in circumstances where, due to local restrictions or quota limitations, it is not possible to hold these directly or where it is otherwise advantageous to the Fund to do so.

The Fund may also invest in ancillary liquid assets and money market instruments which may include bank deposits, depository receipts, certificates of deposit, fixed or floating rate instruments (treasury bills), commercial paper, floating rate notes and freely transferable promissory notes. The ancillary liquid assets, money market instruments and FDI (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus. Investment in ancillary liquid assets and money market instruments may be utilised in a variety of circumstances, including but not limited to, situations such as managing total exposure to cash and borrowing on a short-term basis and in anticipation of participation in a rights offering.

### **2.3 Efficient Portfolio Management**

Investors should note that the Fund may invest in FDIs for efficient portfolio management or hedging purposes only. The Fund may use futures, swaps and currency forwards for the purpose of reducing risk associated with currency exposures within the Fund. This may on occasion lead to an increase in the risk profile of the Fund or result in a fluctuation in the expected level of volatility. Please see the section entitled Risk Factors in the Prospectus in relation to such risks.

The Fund will employ the commitment approach to assess the Fund's global exposure and to ensure that the Fund's use of derivative instruments is within the limits specified by the Central Bank. Global exposure will be calculated daily. While the Fund may be leveraged through the use of the FDIs, any such leverage will not exceed 100% of the Fund's Net Asset Value.

Investment in FDIs is subject to the conditions and limits contained in the CBI UCITS Regulations. Subject to these limits, the Fund may invest in FDIs dealt on any of the regulated markets set out in the list of Markets in Appendix II to the Prospectus (and/or over the counter FDIs (OTCs)) which will be used for investment, efficient portfolio management and/or for hedging purposes.

The Company employs a risk management process which enables it to accurately measure, monitor and manage at any time the various risks associated with FDIs and their contribution to the overall risk profile of the portfolio of assets of the Fund. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments. The Fund will only invest in FDIs in accordance with the risk management policy prepared and submitted to the Central Bank in accordance with the Central Bank requirements.

The Fund may invest in FDIs dealt OTC provided that the counterparties to OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

Position exposure to the underlying assets of FDIs or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the CBI UCITS Regulations.

In addition, the Fund may enter into stock lending, repurchase and reverse repurchase agreements for efficient portfolio management purposes only subject to the conditions and the limits set out in the CBI

UCITS Regulations. Investors are referred to the section entitled Use of Financial Derivative Instruments and Efficient Portfolio Management in the Prospectus.

## 2.4 Securities Financing Transactions

While the Company may enter into securities financing transactions and repurchase agreements (SFTs) (as defined under Article 3 (11) of Regulation (EU) 2015/2365) (the SFTR), it is not anticipated that the Fund will enter into any SFTs. However, in the event that the Fund contemplates entering into such transactions, investors will be provided with further details of the structure and use of such transactions, together with any other information required to be disclosed to investors in accordance with Articles 13 and 14 of the SFTR. The Supplement will be updated accordingly in the event that the Fund will enter into any SFTs.

## 3 INVESTMENT APPROACH

In order to seek to achieve its investment objective, the investment policy of the Fund is to use a replication strategy by investing directly in the underlying equity securities that consists of the component securities of the Index. The Fund will be 'passively' managed.

Where full replication is not possible, the Fund will invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities that generally replicate the Index. However, under various circumstances, it may not be practicable and possible to invest in such equity securities in proportion to their weightings in the Index. It is not expected that the Fund would invest in securities outside the Index under normal circumstances. In extraordinary circumstances the Fund may use such other techniques including, but not limited to, representative or "optimised" sampling to gain access to stocks which provide economic characteristics similar to the security in the Index. There also may be instances, for example if one or more securities are suspended from trading or in situations where the Fund is forced to liquidate particular securities, in which the Manager may choose to overweight a security in the Index, purchase securities not in the Index which the Manager believes are appropriate to substitute for certain securities in the Index or utilise other investment techniques in seeking to replicate, before fees and expenses, the price and yield performance of the Index. The Fund may sell securities that are represented in the Index in anticipation of their removal from the Index or purchase securities not represented in the Index in anticipation of their addition to the Index.

Anticipated tracking error is based on the expected volatility of differences between the returns of the Fund and the returns of the Index. For a physically replicating ETF, one of the primary drivers of tracking error is the difference between the Fund's holdings and index constituents. Cash management, trading costs from rebalancing and withholding tax or stamp duty suffered by the Fund on any income received from its investments can also have an impact on tracking error as well as the return differential between the ETF and the benchmark index. The impact can be either positive or negative depending on the underlying circumstances. The anticipated tracking error of the Fund is not a guide to its future performance. The annualised tracking error envisaged is not anticipated to exceed 0.20% under normal market conditions.

## 4 INFORMATION ON THE INDEX

The Index is designed to provide exposure to at least 40 of the top equity securities in the Morningstar US Market Index (the "**Parent Index**") that are rated as wide moat companies (being a company which it is believed will have sustainability in its competitive advantage(s)) and have the lowest current market price/ fair value price determined in an independent research process by the Morningstar equity research team.

To be eligible for inclusion in the Index, all constituents must meet the following criteria in sequence:

- Analyst Data
  - The company must be assigned an economic moat rating of wide by Morningstar's Equity Research team.
  - The company must be assigned a fair value estimate by Morningstar's Equity Research team.
  - The fair value estimate must not be under review at the time of reconstitution.
- Minimum float market capitalization filter
  - At each reconstitution date in the sub-portfolio getting reconstituted, securities with a wide moat rating and fair value estimate from the Parent Index will be ranked on float market capitalization and those securities ranking in the bottom three percent (by count) based on lowest float market capitalization will no longer be eligible for inclusion in the index.
- If a company has more than one eligible share class:
  - Preference is given to the one that is a current index constituent.
  - Otherwise, the most liquid share class determined by the Index Provider.
- Buffer Rules
  - Index constituents of the sub-portfolio ranked within the top 150% (60) of target count (40) in the eligible universe based on lowest current market price/fair value ratio are given preference in subsequent steps.
- Sector Capping
  - At the time of reconstitution, the maximum weight of an individual sector in each sub-portfolio is capped at its corresponding weight in the Parent Index + 10% or 40%, whichever is higher. This constraint is enforced through stock selection.

*Maximum Sector Weight = Max (40%, Parent Index weight + 10%)*
- Portfolio Selection
  - The aggregate portfolio is formed from two sub-portfolios. All buffered constituents are retained in the reconstituted sub-portfolio. The remaining eligible companies are ranked by their current market price/fair value ratios (from low to high) and those trading at the lowest ratios are included in the Index sub-portfolio until the number of constituents reaches 40.

The Index is divided into two sub-portfolios and deploys a staggered reconstitution and rebalancing methodology to minimise the turnover of constituents in the Index and therefore reduce the costs associated with buying and selling securities while also providing the opportunity to gain exposure to additional eligible stocks on a quarterly basis. Each sub-portfolio will contain approximately 40 equally-weighted securities based on a transparent ranking system subject to selection and eligibility criteria at the time of its semi-annual reconstitution, and weights will vary with market prices until the next reconstitution date. The reconstitution and rebalancing of the portfolio is staggered whereby sub-

portfolio 1 is reconstituted and rebalanced in March and September and sub-portfolio 2 is reconstituted and rebalanced in June and December. The reconstitution and rebalancing will occur on the Monday following the third Friday. If the Monday is a holiday, reconstitution and rebalancing occurs on the following business day. In addition, eligible constituents in each portfolio are re-weighted to equal weightings every six months in June and December. The reconstitution and rebalancing of the equal weightings is undertaken to ensure no one constituent would be too big within the portfolio. Due to the staggered reconstitution and rebalancing methodology, constituents and weightings may vary between sub-portfolios and the Index may have between 40 and 80 constituents on reconstitution and rebalancing. However, if securities fall short of the selection and eligibility criteria, or if securities are added or deleted as a result of corporate actions after reconstitution and rebalancing, the Index can have more or fewer than the targeted number. In addition, securities that are deleted from the Parent Index after the June and December reconstitution and rebalancing are simultaneously deleted from the Index.

The analyst data (moat rating and fair value estimates) used to reconstitute the Index is as of the Tuesday before the second Friday of the reconstitution and rebalancing month.

The information on the Index contains a summary of the principal features of the Index and is not a complete description of the Index. In case of inconsistency between the Information on the Index contained in this summary and the complete description of the Index which can be found on the Index Provider's website, the complete description of the Index prevails. Information on the Index appears on the website identified in the section entitled "Index Provider". Such information may change from time to time and details of the changes will appear on that website.

## 5 INDEX PROVIDER

The Index is published by Morningstar Indexes GmbH (the "**Index Provider**"). The Index Provider does not sponsor, endorse, or promote the Fund and bears no liability with respect to the Fund or any security. The Index Provider is an authorised benchmark administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation.

Morningstar® is a registered trademark of the Index Provider. Morningstar® Wide Moat Focus Index™ is a service mark of the Index Provider. The Index Provider is a leading provider of independent investment research in North America, Europe, Australia, and Asia. The Index Provider offers an extensive line of internet, software, and print-based products and services for individuals, financial advisors, and institutions. The Index is rooted in the Index Provider's proprietary research and is based on a transparent, rules-based methodology. Presently, the Index Provider has developed and is maintaining a number of indexes in addition to the Index. Further information in relation to the Index may be found on the Index Provider's website, <https://indexes.morningstar.com/docs/rulebook/morningstar-wide-moat-focus-FSUSA07Z10>.

## 6 INVESTMENT RESTRICTIONS

The general investment restrictions as set out in the Prospectus shall apply.

The Fund may not invest more than 10% of its Net Asset Value in open-ended collective investment schemes. The Fund may not invest less than 51% of its Net Asset Value in equity securities which constitute "equity participation" within the meaning of section 2, Article 8 of the German Investment Tax Act (Investmentsteuergesetz). Equity participation in this context consists of shares in corporations traded or admitted for trading on a regulated market or multilateral trading facility (MTF) considered as such by the European Securities and Markets Authority (ESMA). The actual equity participation ratios of target investment funds can be taken into account.

There may be instances where the weighting of any constituent security of the Index could cause the Fund to breach the investment restrictions set out in the Prospectus. If such an event occurs, it is intended that the Fund will purchase other assets, the effect of which will seek to maintain, so far as is possible, the same economic exposure to and the same weighting of the security of that issuer in the Index without breaching its investment restrictions.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders.

## **7 BORROWING**

The Fund may borrow money in an amount up to 10% of the market value of its net assets at any time for the account of any Fund and the Depositary may charge the assets of the Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Fund may acquire currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of the Regulations provided that the offsetting deposit is denominated in the Base Currency of the Fund and equals or exceeds the value of the foreign currency loan outstanding.

## **8 RISK FACTORS**

The general risk factors as set out in the section entitled Risk Factors in the Prospectus apply.

Investors in the Fund should be willing to accept a high degree of volatility in the price of the Fund's Shares and the possibility of significant losses. An investment in the Fund involves a substantial degree of risk. Therefore, you are advised to consider carefully the following risks before investing in the Fund.

An investment in the Fund may be subject to risks which include, among others, material transaction cost from rebalancing activity and fluctuations in the value of securities held by the Fund due to market and economic conditions or factors relating to specific issuers.

The value of investments and the income from them, and therefore the value of and income from the Shares can go down as well as up and an investor may not get back the amount invested. The Fund's exposure is based on the performance of the Index securities which, in turn, is exposed to general market movements (negative as well as positive).

Certain additional risks may also be associated with the Fund, including, without limitation:

### **8.1 Foreign Currency Risk**

In the event that the Fund's assets are invested in securities denominated in currencies other than the Base Currency, all or a portion of the proceeds received by the Fund from its investments and/or the revenues received from such underlying issuer will generally not be in the Base Currency. The Fund's exposure to foreign currencies and changes in the value of foreign currencies versus the Base Currency may result in reduced returns for the Fund. Moreover, the Fund may incur costs in connection with conversions between the Base Currency and foreign currencies.

The value of an emerging market country's currency may be subject to a high degree of fluctuation. This fluctuation may be due to changes in interest rates, investors' expectations concerning inflation and interest rates, the emerging market country's debt levels and trade deficit, the effects of monetary policies issued by foreign governments, central banks or supranational entities, the imposition of currency controls or other national or global political or economic developments. The economies of

certain emerging market countries can be significantly affected by currency devaluations. Certain emerging market countries may also have managed currencies which are maintained at artificial levels relative to the Base Currency rather than at levels determined by the market. This type of system could lead to sudden and large adjustments in the currency, which in turn, can have a negative effect on the Fund and its investments.

## **8.2 Equity Securities Risk**

The value of the equity securities held by the Fund may fall due to general market and economic conditions, perceptions regarding the markets in which the issuers of securities held by the Fund participate, or factors relating to specific issuers in which the Fund invests. For example, an adverse event, such as an unfavourable earnings report, may result in a decline in the value of equity securities of an issuer held by the Fund; the price of the equity securities of an issuer may be particularly sensitive to general movements in the securities markets; or a drop in the securities markets may depress the price of most or all of the equities securities held by the Fund. Equity securities are subordinated to preferred securities and debt in a company's capital structure with respect to priority in right to a share of corporate income, and therefore will be subject to greater dividend risk than preferred securities or debt instruments. In addition, while broad market measures of equity securities have historically generated higher average returns than fixed income securities, equity securities have also experienced significantly more volatility in those returns. A change in the financial condition, market perception or the credit rating of an issuer of securities included in the Fund's index may cause the value of its securities to decline.

## **8.3 Limited Diversification Risk**

The Fund may invest a relatively high percentage of its assets in a smaller number of issuers or may invest a larger proportion of its assets in a single issuer. As a result, the gains and losses on a single investment may have a greater impact on the Fund's Net Asset Value and may make the Fund more volatile than more diversified funds.

## **8.4 Risk of Issuer-Specific Changes**

The value of individual securities or particular types of securities in the Fund's portfolio can be more volatile than the market as a whole and can perform differently from the value of the market as a whole, which may have a greater impact if the Fund's portfolio is concentrated in a country, group of countries, region, market or asset class. The value of securities of smaller issuers can be more volatile than that of larger issuers. A change in the financial condition, market perception or the credit rating of an issuer of securities included in the Index may cause the value of its securities to decline.

## **8.5 Risk of Investing in the Consumer Discretionary Sector**

The consumer discretionary sector includes automotive, household durable goods and apparel manufacturers and companies that provide retail, lodging, leisure or food and beverage services. Companies engaged in the consumer discretionary sector are subject to fluctuations in supply and demand. These companies may also be adversely affected by changes in consumer spending as a result of world events, political and economic conditions, commodity price volatility, changes in exchange rates, imposition of import controls, increased competition, depletion of resources and labour relations.

## **8.6 Risk of Investing in the Healthcare Industry**

The Fund will be sensitive to changes in, and its performance may depend to a greater extent on, the overall condition of the healthcare sector. The healthcare sector may be affected by government

regulations and government healthcare programs, increases or decreases in the cost of medical products and services, an increased emphasis on outpatient services, and product liability claims, among other factors. Many healthcare companies are heavily dependent on patent protection, and the expiration of a company's patent may adversely affect that company's profitability. Healthcare companies are subject to competitive forces that may result in price discounting and may be thinly capitalized and susceptible to product obsolescence. Companies in the healthcare sector may also be affected by unforeseen circumstances including but not limited to the spread of infectious disease which could impact drug development priorities and pipelines, supply and demand dynamics for health care equipment, as well as the ability to receive care in health care service facilities.

#### **8.7 Risk of Investing in Small- and Medium-Capitalization Companies**

The securities of small- and medium-capitalisation companies may be more volatile and less liquid than the securities of large companies. As securities of small- and medium-capitalisation companies may experience more market price volatility than securities of larger companies, the net asset value of any fund which invests in small- and medium-capitalisation companies (such as the Fund) may reflect this volatility. Small- and medium-capitalisation companies, when compared with larger companies, may have a shorter history of operations, fewer financial resources, less competitive strength, may have a less diversified product line, may be more susceptible to market pressure and may have a smaller market for their securities. Investment in small- and medium-capitalisation companies may involve comparatively higher investment costs and accordingly investment in the Fund should be viewed as a long term investment. The Fund may however dispose of an investment made by it within a relatively short period of time, for example, to meet requests for redemption of Shares.

#### **8.8 Risk of Investing in the Information Technology Sector**

The information technology sector includes software developers, providers of information technology consulting and services and manufacturers and distributors of computers, peripherals, communications equipment and semiconductors. Information technology companies face intense competition, both domestically and internationally, which may have an adverse effect on profit margins. Information technology companies may have limited product lines, markets, financial resources or personnel. The products of information technology companies may face product obsolescence due to rapid technological developments and frequent new product introduction, unpredictable changes in growth rates and competition for the services of qualified personnel. Companies in the information technology sector are heavily dependent on patent protection and the expiration of patents may adversely affect the profitability of these companies.

#### **8.9 Risk of Investing in the Industrial Sector**

Companies in the industrials sector, of which defense companies are a component, may be adversely affected by changes in government regulation, world events and economic conditions. In addition, companies in the industrials sector may be adversely affected by environmental damages, product liability claims and exchange rates. The stock prices of companies in the industrials sector are affected by supply and demand both for their specific product or service and for industrial sector products in general. The products of manufacturing companies may face product obsolescence due to rapid technological developments and frequent new product introduction. In addition, the industrials sector may also be adversely affected by changes or trends in commodity prices, which may be influenced or characterised by unpredictable factors.

#### **8.10 Risk of Investing in the Financial Services Sector**

Companies in the financial services sector may be subject to extensive government regulation that affects the scope of their activities, the prices they can charge and the amount of capital they must



maintain. The profitability of companies in the financial services sector may be adversely affected by increases in interest rates, by loan losses, which usually increase in economic downturns, and by credit rating downgrades. In addition, the financial services sector is undergoing numerous changes, including continuing consolidations, development of new products and structures and changes to its regulatory framework. Furthermore, some companies in the financial services sector perceived as benefitting from government intervention in the past may be subject to future government-imposed restrictions on their businesses or face increased government involvement in their operations. Increased government involvement in the financial services sector, including measures such as taking ownership positions in financial institutions, could result in a dilution of each Fund's investments in financial institutions. Recent developments in the credit markets may cause companies operating in the financial services sector to incur large losses, experience declines in the value of their assets and even cease operations.

#### 8.11 Concentration Risk

The Fund's assets may be concentrated in a particular sector or sectors or industry or group of industries to the extent the Index concentrates in a particular sector or sectors or industry or group of industries. Accordingly, the Fund may be subject to the risk that economic, political or other conditions that have a negative effect on a particular industry or sector will negatively impact the Fund to a greater extent than if the Fund's assets were invested in a wider variety of sectors or industries.

The Fund may be particularly vulnerable to this risk because the Index is comprised of securities of a very limited number of issuers. The Fund's assets may be concentrated in a small number of stocks and/or may be concentrated in particular sectors which may subject the Fund to more risk than investments in a diverse group of companies and sectors.

#### 8.12 Portfolio Turnover Risk

It is anticipated that the Fund will have high portfolio turnover in seeking to replicate the Index, which will result in increased transaction costs to the Fund, including brokerage commissions, dealer mark-ups and other transaction costs on the sale of the securities and on reinvestment in other securities.

### 9 DIVIDEND POLICY

It is not proposed that the Directors will declare a dividend in respect of the Fund. Full details of any change to the Fund's dividend policy will be provided in an updated Supplement and all Shareholders will be notified in advance.

### 10 KEY INFORMATION FOR PURCHASING AND SELLING

|                      |  |
|----------------------|--|
| <b>Base Currency</b> | US Dollar (USD)  |
| <b>Business Day</b>  | means every day other than a Saturday or Sunday (or such other day(s) as the Directors may from time to time determine and notify in advance to Shareholders).   |
| <b>Dealing Day</b>   | In general, each Business Day will be a Dealing Day. However, certain Business Days will not be Dealing Days where, in the sole determination of the Manager: (i) markets on which the Fund's investments are listed or traded, or markets relevant to the Index are closed, and/or (ii) there is a public holiday in the jurisdiction in which the Manager or its delegate(s), if applicable, is or are based; provided there is at least one Dealing Day |

|                         |   |
|-------------------------|---|
|                         | per fortnight. The Dealing Days for the Fund are available at <a href="http://www.vaneck.com">www.vaneck.com</a> .  |
| <b>Dealing Deadline</b> | 4:00 p.m. (Irish time) on the relevant Dealing Day.   |
| <b>Settlement Date</b>  | In the case of subscription(s), within 2 Business Days of the relevant Dealing Day.<br><br>In the case of repurchases, within 2 Business Days of the relevant Dealing Day.    |
| <b>Valuation Point</b>  | 11:00 p.m. (Irish time) on the relevant Dealing Day.  |
| <b>Website</b>          | Information on portfolio composition and details of intra-day portfolio value ( <b>iNAV</b> ) are set out on the website - <a href="http://www.vaneck.com">www.vaneck.com</a> |

### Description of the Shares

|                                     |   |
|-------------------------------------|---|
| <b>Share Class</b>                  | A   |
| <b>ISIN</b>                         | IE0007199HX7  |
| <b>Initial Offer Period</b>         | The Initial Offer Period shall commence at 9:00 a.m. (Irish time) 12 December 2023 and close at 5.00 p.m. (Irish time) on 11 June 2024 as may be shortened or extended by the Directors and notified to the Central Bank. |
| <b>Initial Price</b>                | Approximately USD 20, plus an appropriate provision for Duties and Charges, or such other amount as determined by the Manager and communicated to investors prior to investment.  |
| <b>Creation Unit</b>                | 50,000 Shares or such other amount as may be determined by the Directors at their discretion.   |
| <b>Minimum Initial Subscription</b> | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Initial Subscription.   |
| <b>Minimum Holding</b>              | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Holding.  |

## 11 CHARGES AND EXPENSES

The following fees and expenses will be incurred by the Company on behalf of the Fund and will affect the Net Asset Value of the relevant Class of Share of the Fund:

|                    |   |
|--------------------|---|
| <b>Share Class</b> | A   |
| <b>Total Fee</b>   | Up to 0.46% per annum or such lower amount as may be advised to Shareholders from time to time. |

The Total Fee, a percentage of the Net Asset Value of the relevant Class of Shares (plus VAT, if any), is payable by the Company out of the Fund Assets to the Manager. The Total Fee will accrue on each day and will be calculated on each Dealing Day and paid monthly in arrears. The Total Fee will cover all of the ordinary fees, operating costs and expenses payable by the Fund including fees and expenses paid to the Manager, all ordinary costs and expenses connected with the management and operating activities of the Fund, including investment management and advisory fees, Director's fees, registration, transfer agency, administration and custody fees, registrar fees, regulators and auditors and certain legal expenses of the Company. The Total Fee does not include extraordinary costs and expenses (including but not limited to transaction charges, stamp duty or other taxes on the investments of the Company including duty charges for portfolio re-balancing, withholding taxes, commissions and brokerage fees incurred with respect to the Company's investments, interest on any non-overdraft credit facility and charges incurred in negotiating, effecting or varying the terms of such facility, any commissions charged by intermediaries in relation to an investment in the Fund and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the Company all of which will be paid separately out of the assets of the Fund). The cost of establishing the Fund will be borne by the Manager.

This section entitled Charges and Expenses should be read in conjunction with the sections entitled General Charges and Expenses and Management Charges and Expenses in the Prospectus.

## 12 REGISTRATION FOR PUBLIC DISTRIBUTION AND LISTING

Application is expected to be made to register the Fund for public distribution in various countries.

Application will be made to list the Shares on Euronext and other stock exchanges. Through the operation of such a secondary market, persons who are not Authorised Participants or not able or willing to subscribe for and redeem Creation Units will be able to buy Shares from or sell Shares to other retail investors or market makers, broker/dealers, or other Authorised Participants at prices which should approximate, after currency conversion, the Net Asset Value of the Shares.

## 13 HOW TO BUY AND SELL SHARES

Investors can buy and sell Shares on the secondary market as described above in accordance with the procedures set out in the section entitled Secondary Market in the Prospectus.

Investors can otherwise subscribe for or redeem Creation Units in accordance with the procedures set out in the Prospectus.

## 14 SUSTAINABLE FINANCE DISCLOSURE

The Manager has categorised the Fund as meeting the provisions set out in Article 6 of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector ("SFDR") and does not follow a dedicated ESG investment strategy. The Fund does not have sustainable investment as its investment objective, nor does it promote environmental or social characteristics.

## 14.1 Sustainability Risks

Sustainability risk is the risk that the value of an investment will decline as a result of an environmental, social or governance (ESG) event or circumstance. Ecological events include climate change, scarcity of natural resources and pollution. Social events may include labour issues and product liability. Governance can include themes such as shareholder rights, business ethics, diversity and executive remuneration. Sustainability risks can arise in all kinds of forms. With regard to the theme of climate, for example, there is a distinction between transition risks and physical risks, whereby transition risks can be divided into legal and regulatory risks, technological risks, market risks and reputation risks. In addition, the impact of sustainability risk has various scopes, including company-specific, sector-specific and on country level. The occurrence of a sustainability risk results in other (financial) risks manifesting. This can negatively affect the value of the investment.

Concrete examples of sustainability risks for the Fund are: a company has an overly generous remuneration policy or a remuneration policy that is inconsistent with the interests of the shareholders. This can cause the invested companies' stocks to decline. Also, a company's reputation can deteriorate as a result of negative publicity about an environmental, e.g. or a particularly high amount of CO2 emission, social or labour issue. These can cause the value of its stock to decline. Furthermore, a company can be negatively affected by climate change, which can cause the value of its equity to decline. As this Fund does not represent a specific sector or industry and its composition is changing according to the index methodology, it is not possible to describe the impact of any specific sustainability risk for this Fund. Therefore, the expected impact of sustainability risks on the return depends on the type of sustainability risk that materializes. For developed and emerging markets equity portfolios, this expected impact is generally viewed as significant.

## 14.2 Sustainability Risk Integration Features

The Fund has a passive investment policy whereby the Fund aims to follow the Index as closely as possible. The Index has no specific sustainability characteristics. The Fund therefore does not have any specific sustainability characteristics. In order to fulfil its responsibility as a responsible investor and as a signatory to the United Nations Principles for Responsible Investments, the Manager applies the following measures:

### Exclusions

Exclusions apply to this Fund as further outlined in section 10 of the Prospectus.

### Voting

The Manager can exercise his voting rights at shareholders' meetings, according to the Proxy Voting Policy. To assist in its responsibility for voting proxies and the overall voting process, the Manager has engaged an independent third party proxy voting specialist, Glass Lewis Europe Limited, which takes also Environmental, Social and Governance factors into account when casting votes.

In particular, the Glass Lewis ESG voting policy is applied:

- On the Environmental side, within others, measures in favour of increased disclosure of a company's environmental risk through company-specific disclosure as well as compliance with international environmental conventions and adherence to environmental principles will be supported. Similarly, the ESG Policy will support proposals requesting companies develop greenhouse gas emissions reduction goals, comprehensive recycling. The ESG Policy will evaluate a company's impact on the environment, in addition to the regulatory risk a company may face by not adopting environmentally responsible policies. Further, the

ESG Policy will consider voting against directors for not appropriately overseeing environmental risk.

- On the Social side, the ESG Policy will support several proposals, including but not limited to requesting that a company develop sustainable business practices, such as animal welfare policies, human rights policies, and fair lending policies. Furthermore, the ESG Policy will also generally support enhancing the rights of workers, as well as considering the communities and broader constituents in the areas in which companies do business.
- On the Governance side, the ESG Policy supports, within other aspects, increased shareholder participation and access to a company and its board of directors. Accordingly, the ESG Policy will vote in favour of initiatives that seek to enhance shareholder rights, such as the introduction of majority voting to elect directors, the adoption and amendment of proxy access bylaws, the elimination/reduction of supermajority provisions, the declassification of the board, the submission of shareholder rights' plans to a shareholder vote, and the principle of one share, one vote.

### **Engagement**

The Manager appointed a third-party engagement specialist, Glass Lewis Europe Limited, for the passive equity funds managed by VanEck Asset Management B.V. The engagement provider determines the engagement approach in accordance with its engagement policy and based on its engagements' priorities.

## **14.3 Taxonomy Regulation Disclosure**

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

## **15 OTHER INFORMATION**

New Funds may be created from time to time by the Directors with the prior approval of the Central Bank in which case further Supplements incorporating provisions relating to those Funds will be issued by the Company.

The names of the Funds currently approved by the Central Bank are listed in the Global Addendum.

## SCHEDULE 1

### DISCLAIMER

The Manager has entered into a licensing agreement with Morningstar to use the Morningstar® Wide Moat Focus Index<sup>SM</sup>. VanEck Morningstar US Wide Moat UCITS ETF (the **Fund**) is entitled to use the Morningstar® Wide Moat Focus Index<sup>SM</sup> pursuant to a sub-licensing arrangement with the Manager.

The Fund is not sponsored, endorsed, sold or promoted by Morningstar. Morningstar makes no representation or warranty, express or implied, to the shareholders of the Fund or any member of the public regarding the advisability of investing in securities generally or in the Fund in particular or the ability of the Morningstar® Wide Moat Focus Index<sup>SM</sup> to track general stock market performance. Morningstar's only relationship to the Manager is the licensing of certain service marks and service names of Morningstar and of the Morningstar® Wide Moat Focus Index<sup>SM</sup>, which is determined, composed and calculated by Morningstar without regard to the Manager or the Fund. Morningstar has no obligation to take the needs of the Manager or the shareholders of the Fund into consideration in determining, composing or calculating the Wide Moat Focus Index. Morningstar is not responsible for and has not participated in the determination of the prices and amount of the Morningstar® Wide Moat Focus Index<sup>SM</sup> or the timing of the issuance or sale of the Morningstar® Wide Moat Focus Index<sup>SM</sup> or in the determination or calculation of the equation by which the Morningstar® Wide Moat Focus Index<sup>SM</sup> is converted into cash. Morningstar has no obligation or liability in connection with the administration, marketing or trading of the Morningstar® Wide Moat Focus Index<sup>SM</sup>.

MORNINGSTAR DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE MORNINGSTAR WIDE MOAT FOCUS INDEX OR ANY DATA INCLUDED THEREIN AND MORNINGSTAR SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. MORNINGSTAR MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE ADVISER, SHAREHOLDERS OF THE FUND, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE WIDE MOAT FOCUS INDEX OR ANY DATA INCLUDED THEREIN. MORNINGSTAR MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE WIDE MOAT FOCUS INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL MORNINGSTAR HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

#### **Intellectual Property - Role of Morningstar**

The Morningstar® Wide Moat Focus Index<sup>SM</sup> was created and is maintained by Morningstar Indexes GmbH ("Morningstar"). Morningstar does not sponsor, endorse, issue, sell, or promote the Fund and bears no liability with respect to the Fund or any security. Morningstar® is a registered trademark of Morningstar and Morningstar® Wide Moat Focus Index<sup>SM</sup> is a service mark of Morningstar.

The indicative optimised portfolio value/intra-day portfolio value is calculated by S&P Global Ltd.

**VANECK UCITS ETFs plc**

**Supplement dated 20 December 2024**

**for**

**VanEck Morningstar US SMID Moat UCITS ETF**

This Supplement contains specific information in relation to the **VanEck Morningstar US SMID Moat UCITS ETF** (the **Fund**), a sub-fund of VanEck UCITS ETFs plc (the **Company**), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank pursuant to the Regulations.

**This Supplement forms part of, may not be distributed unless accompanied by (other than to prior recipients of the Prospectus of the Company dated 20 December 2024, as may be amended, supplemented, or modified from time to time), and should be read in conjunction with the Prospectus for the Company.**

THIS DOCUMENT IS IMPORTANT. YOU SHOULD NOT PURCHASE SHARES IN THE FUND DESCRIBED IN THIS SUPPLEMENT UNLESS YOU HAVE ENSURED THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT AND THE RISKS INVOLVED AND ARE SATISFIED THAT THE INVESTMENT IS SUITED TO YOUR CIRCUMSTANCES AND OBJECTIVES, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU ARE RECOMMENDED TO TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR.

The Directors of the Company whose names appear in the section entitled **Directors of the Company** in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

**Shares purchased on the secondary market cannot usually be sold directly back to the Fund. Investors must buy and sell Shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value when buying Shares and may receive less than the current Net Asset Value per Share when selling them.**

Certain risks attached to investments in the Fund are set out in the Prospectus in the section entitled Risk Factors.

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## **1 IMPORTANT INFORMATION**

### **1.1 Profile of a typical investor**

A typical investor is expected to be an informed investor who is able to bear capital and income risk, and should view investment in the Fund as a medium to long term investment. A typical investor is expected to be an investor who wishes to take exposure to the markets covered by the Fund's investment policy and is prepared to accept the risks associated with an investment of this type, including the volatility of such market.

### **1.2 General**

This Supplement sets out information in relation to the Shares and the Fund. You must also refer to the Prospectus which is separate to this document and describes the Company and provides general information about offers of shares in the Company. You should not take any action in respect of the Shares unless you have received a copy of the Prospectus. Should there be any inconsistency between the contents of the Prospectus and this Supplement, the contents of this Supplement will, to the extent of any such inconsistency, prevail. This Supplement and the Prospectus should both be carefully read in their entirety before any investment decision with respect to Shares is made.

The Shares of the Fund have been admitted to listing on the Official List and trading on the Regulated Market of Euronext Dublin. This Supplement together with the Prospectus includes all information required to be disclosed by Euronext Dublin listing requirements and comprise listing particulars for the purpose of listing the Shares of the Fund on Euronext Dublin.

Neither the admission of Shares of the Fund to listing on the Official List and to trading on the Regulated Market of Euronext Dublin nor the approval of the listing particulars pursuant to the listing requirements of Euronext Dublin shall constitute a warranty or representation by Euronext Dublin as to the competence of service providers to or any other party connected with the Fund, the adequacy of information contained in the listing particulars or the suitability of the Fund for investment purposes.

As of the date of this Supplement, the Company does not have any loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

### **1.3 Suitability of Investment**

You are advised to inform yourself as to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Shares.

The Shares are not principal protected. The value of the Shares may go up or down and you may not get back the amount you have invested. See the section entitled Risk Factors of the Prospectus and the section entitled Risk Factors of this Supplement for a discussion of certain risks that should be considered by you.

An investment in the Shares is only suitable for you if you are a sophisticated investor and (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of

such an investment and have sufficient resources to be able to bear any losses that may result from such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

## **1.4 Distribution of this Supplement and Selling Restrictions**

Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus and is not authorised in any jurisdiction after publication of the audited annual report of the Company unless a copy of the then latest annual report and, if distributed after the semi-annual report has been produced, a copy of the then latest published semi-annual report and unaudited accounts is made available in conjunction with the Prospectus and this Supplement. The distribution of this Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. If you receive a copy of this Supplement and/or the Prospectus you may not treat such document(s) as constituting an offer, invitation or solicitation to you to subscribe for any Shares unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without compliance with any registration or other legal requirement other than those with which the Company has already complied. If you wish to apply for the opportunity to purchase any Shares it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile.

## **2 INVESTMENT OBJECTIVE AND POLICIES**

### **2.1 Investment Objective**

The Fund's investment objective is to replicate the price and the performance, before fees and expenses, of an index that provides exposure to small- and mid-cap stocks with durable competitive advantages and attractive valuations, based on quantitative and qualitative factors.

### **2.2 Investment Policy**

In order to seek to achieve its investment objective, the Manager will normally use a replication strategy by investing directly in the underlying equity securities of Morningstar® US Small-Mid Cap Moat Focus Index™ (the "**Index**") being the equity stocks, American depository receipts (ADRs), and global depository receipts (GDRs) that consists of the component securities of the Index. Such equity securities must be issued by companies listed or traded on the Markets referred to in Appendix II of the Prospectus.

The Fund will seek the prior approval of the Central Bank should the Fund seek to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. In exceptional market circumstances, such as, but not limited to, a material price movement impacting the weighting of an underlying equity security of the Index or disruptive market conditions or extremely volatile markets, an underlying equity security of the Index which is held by the Fund may exceed the regulatory limits intra rebalancing dates which would result in the Fund seeking to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. Where it is not practical or cost efficient for the Fund to fully replicate the Index, the Manager may utilise an optimised sampling methodology. Further detail with respect of this approach is set out in the section entitled Investment Approach below.

**The Fund may also (or alternatively) invest in financial derivative instruments (FDIs) which relate to the Index or constituents of the Index.** The FDIs which the Fund may use are futures, options (puts and calls), swaps (including equity swaps and swaps on the Index), currency forwards and non-deliverable forwards (a forward contract that does not require settlement on maturity) (NDFs). Futures and options may be used in order to equitise (use) cash balances pending investment of subscription proceeds or other cash balances held by the Fund to seek to reduce tracking error. Currency forwards and NDFs may be used to hedge currency exposures. The Fund may use FDIs as an alternative to

direct investment in the constituents of the Index in order to avail of the related cost or liquidity advantages of FDIs which may, in certain circumstances, be available over the direct investment in the constituents of the Index. The Fund may also use American depository receipts (ADRs) or global depository receipts (GDRs) to gain exposure to equity securities instead of using physical securities in circumstances where, due to local restrictions or quota limitations, it is not possible to hold these directly or where it is otherwise advantageous to the Fund to do so.

The Fund may also invest in ancillary liquid assets and money market instruments which may include bank deposits, depository receipts, certificates of deposit, fixed or floating rate instruments (treasury bills), commercial paper, floating rate notes and freely transferable promissory notes. The ancillary liquid assets, money market instruments and FDI (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus. Investment in ancillary liquid assets and money market instruments may be utilised in a variety of circumstances, including but not limited to, situations such as managing total exposure to cash and borrowing on a short-term basis and in anticipation of participation in a rights offering.

## **2.3 Efficient Portfolio Management**

Investors should note that the Fund may invest in FDIs for efficient portfolio management or hedging purposes only. The Fund may use futures, swaps and currency forwards for the purpose of reducing risk associated with currency exposures within the Fund. This may on occasion lead to an increase in the risk profile of the Fund or result in a fluctuation in the expected level of volatility. Please see the section entitled Risk Factors in the Prospectus in relation to such risks.

The Fund will employ the commitment approach to assess the Fund's global exposure and to ensure that the Fund's use of derivative instruments is within the limits specified by the Central Bank. Global exposure will be calculated daily. While the Fund may be leveraged through the use of the FDIs, any such leverage will not exceed 100% of the Fund's Net Asset Value.

Investment in FDIs is subject to the conditions and limits contained in the CBI UCITS Regulations. Subject to these limits, the Fund may invest in FDIs dealt on any of the regulated markets set out in the list of Markets in Appendix II to the Prospectus (and/or over the counter FDIs (OTCs)) which will be used for investment, efficient portfolio management and/or for hedging purposes.

The Company employs a risk management process which enables it to accurately measure, monitor and manage at any time the various risks associated with FDIs and their contribution to the overall risk profile of the portfolio of assets of the Fund. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments. The Fund will only invest in FDIs in accordance with the risk management policy prepared and submitted to the Central Bank in accordance with the Central Bank requirements.

The Fund may invest in FDIs dealt OTC provided that the counterparties to OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

Position exposure to the underlying assets of FDIs or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the CBI UCITS Regulations.

In addition, the Fund may enter into stock lending, repurchase and reverse repurchase agreements for efficient portfolio management purposes only subject to the conditions and the limits set out in the CBI

UCITS Regulations. Investors are referred to the section entitled Use of Financial Derivative Instruments and Efficient Portfolio Management in the Prospectus.

## 2.4 Securities Financing Transactions

While the Company may enter into securities financing transactions and repurchase agreements (SFTs) (as defined under Article 3 (11) of Regulation (EU) 2015/2365) (the SFTR), it is not anticipated that the Fund will enter into any SFTs. However, in the event that the Fund contemplates entering into such transactions, investors will be provided with further details of the structure and use of such transactions, together with any other information required to be disclosed to investors in accordance with Articles 13 and 14 of the SFTR. The Supplement will be updated accordingly in the event that the Fund will enter into any SFTs.

## 3 INVESTMENT APPROACH

In order to seek to achieve its investment objective, the investment policy of the Fund is to use a replication strategy by investing directly in the underlying equity securities that consists of the component securities of the Index. The Fund will be 'passively' managed.

Where full replication is not possible, the Fund will invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities that generally replicate the Index. However, under various circumstances, it may not be practicable and possible to invest in such equity securities in proportion to their weightings in the Index. It is not expected that the Fund would invest in securities outside the Index under normal circumstances. In extraordinary circumstances the Fund may use such other techniques including, but not limited to, representative or "optimised" sampling to gain access to stocks which provide economic characteristics similar to the security in the Index. There also may be instances, for example if one or more securities are suspended from trading or in situations where the Fund is forced to liquidate particular securities, in which the Manager may choose to overweight a security in the Index, purchase securities not in the Index which the Manager believes are appropriate to substitute for certain securities in the Index or utilise other investment techniques in seeking to replicate, before fees and expenses, the price and yield performance of the Index. The Fund may sell securities that are represented in the Index in anticipation of their removal from the Index or purchase securities not represented in the Index in anticipation of their addition to the Index.

Anticipated tracking error is based on the expected volatility of differences between the returns of the Fund and the returns of the Index. For a physically replicating ETF, one of the primary drivers of tracking error is the difference between the Fund's holdings and index constituents. Cash management, trading costs from rebalancing and withholding tax or stamp duty suffered by the Fund on any income received from its investments can also have an impact on tracking error as well as the return differential between the ETF and the benchmark index. The impact can be either positive or negative depending on the underlying circumstances. The anticipated tracking error of the Fund is not a guide to its future performance. The annualised tracking error envisaged is not anticipated to exceed 0.20% under normal market conditions.

## 4 INFORMATION ON THE INDEX

The Index is designed to provide exposure to at least 75 of the top U.S. small- and mid-cap equity securities in the Morningstar® US Small-Mid Cap Index (the "**Parent Index**") that are rated as wide moat companies (companies that Morningstar's equity research team believe will maintain its competitive advantage(s) for at least 20 years) or narrow moat companies (companies that Morningstar's equity research team believe will maintain its competitive advantage(s) for at least 10 years) and have the lowest current market price/ fair value price determined in an independent research process by the Morningstar equity research team.

To be eligible for inclusion in the Index, all constituents must meet the following criteria in sequence:

- Analyst Data
  - The company must be assigned an economic moat rating of wide or narrow by Morningstar's Equity Research team.
  - The company must be assigned a fair value estimate by Morningstar's Equity Research team.
  - The fair value estimate must not be under review at the time of reconstitution.
- The company must have 12 months of price history.
- Minimum float market capitalisation filter
  - At each reconstitution date in the sub portfolio getting reconstituted, securities with a wide or narrow moat rating and fair value estimate from the Parent Index will be ranked on float market capitalisation and those securities ranking in the bottom three percent (by count) based on lowest float market capitalisation will not be eligible for inclusion in the Index.
- If a company has more than one eligible share class:
  - Select the one that is a current Index constituent.
  - Otherwise, select the most liquid share class determined by the Index Provider.
- Momentum Screen
  - Eligible securities are ranked by the percentage change in price from 12 months ago. The securities in the bottom 20% are screened out.
- Liquidity Filter
  - Non-index constituents with having three-month average daily trading value, or ADTV, of less than \$5 million are screened out.
- Buffer Rules
  - Index constituents of the sub-portfolio ranked within the top 150% of target count in the eligible universe based on current market price/fair value ratio are given preference in subsequent steps.
- Sector Capping
  - At the time of reconstitution, the maximum weight of an individual sector in each sub-portfolio is capped at its corresponding weight in the Parent Index + 10% or 40%, whichever is higher. This constraint is enforced through stock selection.  
  
*Maximum Sector Weight = Max (40%, Parent Index weight + 10%)*
- Portfolio Selection

- The aggregate portfolio is formed from two sub-portfolios. All buffered constituents are retained in the reconstituted sub-portfolio. The remaining eligible companies are ranked by their current market price/fair value ratios (from low to high), and those trading at the lowest ratios are included in the Index sub-portfolio until the number of constituents reaches 75.

The Index is divided into two sub-portfolios and deploys a staggered reconstitution and rebalancing methodology to minimise the turnover of constituents in the Index and therefore reduce the costs associated with buying and selling securities while also providing the opportunity to gain exposure to additional eligible stocks on a quarterly basis. Each sub-portfolio will contain approximately 75 equally-weighted securities based on a transparent ranking system subject to selection and eligibility criteria at the time of its semi-annual reconstitution, and weights will vary with market prices until the next reconstitution date. The reconstitution and rebalancing of the portfolio is staggered whereby sub-portfolio 1 is reconstituted and rebalanced in March and September and sub-portfolio 2 is reconstituted and rebalanced in June and December. The reconstitution and rebalancing will occur on the Monday following the third Friday. If the Monday is a holiday, reconstitution occurs on the following business day. In addition, eligible constituents in each portfolio are re-weighted to equal weightings every six months in June and December. The reconstitution and rebalancing of the equal weightings is undertaken to ensure no one constituent would be too big within the portfolio. Due to the staggered reconstitution and rebalancing methodology, constituents and weightings may vary between sub-portfolios and the Index may have between 75 and 150 constituents on reconstitution and rebalancing. However, if securities fall short of the selection and eligibility criteria, or if securities are added or deleted as a result of corporate actions after reconstitution and rebalancing, the Index can have more or fewer than the targeted number. In addition, securities that are deleted from the Parent Index after the June and December reconstitution and rebalancing are simultaneously deleted from the Index.

The analyst data (moat rating and fair value estimates) used to reconstitute the Index is as of the Tuesday before the second Friday of the reconstitution and rebalancing month.

The information on the Index contains a summary of the principal features of the Index and is not a complete description of the Index. In case of inconsistency between the Information on the Index contained in this summary and the complete description of the Index which can be found on the Index Provider's website, the complete description of the Index prevails. Information on the Index appears on the website identified in the section entitled "Index Provider". Such information may change from time to time and details of the changes will appear on that website.

## 5 INDEX PROVIDER

The Index is published by Morningstar Indexes GmbH (the **Index Provider**). The Index Provider does not sponsor, endorse, or promote the Fund and bears no liability with respect to the Fund or any security. The Index Provider is an authorised benchmark administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation.

Morningstar® is a registered trademark of the Index Provider. Morningstar® US Small-Mid Cap Moat Focus Index™ is a service mark of the Index Provider. The Index Provider is a leading provider of independent investment research in North America, Europe, Australia, and Asia. The Index Provider offers an extensive line of internet, software, and print-based products and services for individuals, financial advisors, and institutions. The Index is rooted in the Index Provider's proprietary research and is based on a transparent, rules-based methodology. Presently, the Index Provider has developed and is maintaining a number of indexes in addition to the Index. Further information in relation to the Index may be found on the Index Provider's website,

## 6 INVESTMENT RESTRICTIONS

The general investment restrictions as set out in the Prospectus shall apply.

The Fund may not invest more than 10% of its Net Asset Value in open-ended collective investment schemes. The Fund may not invest less than 51% of its Net Asset Value in equity securities which constitute "equity participation" within the meaning of section 2, Article 8 of the German Investment Tax Act (Investmentsteuergesetz). Equity participation in this context consists of shares in corporations traded or admitted for trading on a regulated market or multilateral trading facility (MTF) considered as such by the European Securities and Markets Authority (ESMA). The actual equity participation ratios of target investment funds can be taken into account.

There may be instances where the weighting of any constituent security of the Index could cause the Fund to breach the investment restrictions set out in the Prospectus. If such an event occurs, it is intended that the Fund will purchase other assets, the effect of which will seek to maintain, so far as is possible, the same economic exposure to and the same weighting of the security of that issuer in the Index without breaching its investment restrictions.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders.

## 7 BORROWING

The Fund may borrow money in an amount up to 10% of the market value of its net assets at any time for the account of any Fund and the Depositary may charge the assets of the Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Fund may acquire currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of the Regulations provided that the offsetting deposit is denominated in the Base Currency of the Fund and equals or exceeds the value of the foreign currency loan outstanding.

## 8 RISK FACTORS

The general risk factors as set out in the section entitled Risk Factors in the Prospectus apply.

Investors in the Fund should be willing to accept a high degree of volatility in the price of the Fund's Shares and the possibility of significant losses. An investment in the Fund involves a substantial degree of risk. Therefore, you are advised to consider carefully the following risks before investing in the Fund.

An investment in the Fund may be subject to risks which include, among others, material transaction cost from rebalancing activity and fluctuations in the value of securities held by the Fund due to market and economic conditions or factors relating to specific issuers.

The value of investments and the income from them, and therefore the value of and income from the Shares can go down as well as up and an investor may not get back the amount invested. The Fund's exposure is based on the performance of the Index securities which, in turn, is exposed to general market movements (negative as well as positive).

Certain additional risks may also be associated with the Fund, including, without limitation:





## **8.1 Risk of Investing in Small- and Medium-Capitalisation Companies**

The securities of small- and medium-capitalisation companies may be more volatile and less liquid than the securities of large companies. As securities of small- and medium-capitalisation companies may experience more market price volatility than securities of larger companies, the net asset value of any fund which invests in small- and medium-capitalisation companies (such as the Fund) may reflect this volatility. Small- and medium-capitalisation companies, when compared with larger companies, may have a shorter history of operations, fewer financial resources, less competitive strength, may have a less diversified product line, may be more susceptible to market pressure and may have a smaller market for their securities. Investment in small- and medium-capitalisation companies may involve comparatively higher investment costs and accordingly investment in the Fund should be viewed as a long term investment. The Fund may however dispose of an investment made by it within a relatively short period of time, for example, to meet requests for redemption of Shares.

## **8.2 Risk of Investing in Smaller Companies**

The securities of smaller companies may be more volatile and less liquid than the securities of large companies. As securities of smaller companies may experience more market price volatility than securities of larger companies, the net asset value of any fund which invests in smaller companies (such as the Fund) may reflect this volatility. Smaller companies, when compared with larger companies, may have a shorter history of operations, fewer financial resources, less competitive strength, may have a less diversified product line, may be more susceptible to market pressure and may have a smaller market for their securities. Investment in smaller companies may involve comparatively higher investment costs and accordingly investment in the Fund should be viewed as a long term investment. The Fund may however dispose of an investment made by it within a relatively short period of time, for example, to meet requests for redemption of Shares.

## **8.3 Foreign Currency Risk**

In the event that the Fund's assets are invested in securities denominated in currencies other than the Base Currency, all or a portion of the proceeds received by the Fund from its investments and/or the revenues received from such underlying issuer will generally not be in the Base Currency. The Fund's exposure to foreign currencies and changes in the value of foreign currencies versus the Base Currency may result in reduced returns for the Fund. Moreover, the Fund may incur costs in connection with conversions between the Base Currency and foreign currencies. The value of an emerging market country's currency may be subject to a high degree of fluctuation. This fluctuation may be due to changes in interest rates, investors' expectations concerning inflation and interest rates, the emerging market country's debt levels and trade deficit, the effects of monetary policies issued by foreign governments, central banks or supranational entities, the imposition of currency controls or other national or global political or economic developments. The economies of certain emerging market countries can be significantly affected by currency devaluations. Certain emerging market countries may also have managed currencies which are maintained at artificial levels relative to the Base Currency rather than at levels determined by the market. This type of system could lead to sudden and large adjustments in the currency, which in turn, can have a negative effect on the Fund and its investments.

## **8.4 Risk of Issuer-Specific Changes**

The value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole, especially if the Fund's portfolio is concentrated in a country, group of countries, region, market, industry, group of industries,

sector or asset class. The value of securities of smaller issuers can be more volatile than that of larger issuers.

## **8.5 Concentration Risk**

The Fund's assets may be concentrated in a particular sector or sectors or industry or group of industries to the extent the Index concentrates in a particular sector or sectors or industry or group of industries. Accordingly, the Fund may be subject to the risk that economic, political or other conditions that have a negative effect on a particular industry or sector will negatively impact the Fund to a greater extent than if the Fund's assets were invested in a wider variety of sectors or industries.

The Fund may be particularly vulnerable to this risk because the Index is comprised of securities of a very limited number of issuers. The Fund's assets may be concentrated in a small number of stocks and/or may be concentrated in particular sectors which may subject the Fund to more risk than investments in a diverse group of companies and sectors.

## **8.6 Risk of Investing in the Consumer Discretionary Sector**

The consumer discretionary sector includes automotive, household durable goods and apparel manufacturers and companies that provide retail, lodging, leisure or food and beverage services. Companies engaged in the consumer discretionary sector are subject to fluctuations in supply and demand. These companies may also be adversely affected by changes in consumer spending as a result of world events, political and economic conditions, commodity price volatility, changes in exchange rates, imposition of import controls, increased competition, depletion of resources and labour relations.

## **8.7 Risk of Investing in the Financial Services Sector**

Companies in the financial services sector may be subject to extensive government regulation that affects the scope of their activities, the prices they can charge and the amount of capital they must maintain. The profitability of companies in the financial services sector may be adversely affected by increases in interest rates, by loan losses, which usually increase in economic downturns, and by credit rating downgrades. In addition, the financial services sector is undergoing numerous changes, including continuing consolidations, development of new products and structures and changes to its regulatory framework. Furthermore, some companies in the financial services sector perceived as benefitting from government intervention in the past may be subject to future government-imposed restrictions on their businesses or face increased government involvement in their operations. Increased government involvement in the financial services sector, including measures such as taking ownership positions in financial institutions, could result in a dilution of each Fund's investments in financial institutions. Recent developments in the credit markets may cause companies operating in the financial services sector to incur large losses, experience declines in the value of their assets and even cease operations.

## **8.8 Risk of Investing in the Healthcare Industry**

The Fund will be sensitive to changes in, and its performance may depend to a greater extent on, the overall condition of the healthcare sector. The healthcare sector may be affected by government regulations and government healthcare programs, increases or decreases in the cost of medical products and services, an increased emphasis on outpatient services, and product liability claims, among other factors. Many healthcare companies are heavily dependent on patent protection, and the expiration of a company's patent may adversely affect that company's profitability. Healthcare companies are subject to competitive forces that may result in price discounting and may be thinly capitalised and susceptible to product obsolescence. Companies in the healthcare sector may also be affected by unforeseen circumstances including but not limited to the spread of infectious disease which

could impact drug development priorities and pipelines, supply and demand dynamics for health care equipment, as well as the ability to receive care in health care service facilities.

## **8.9 Risk of Investing in the Information Technology Sector**

The information technology sector includes software developers, providers of information technology consulting and services and manufacturers and distributors of computers, peripherals, communications equipment and semiconductors. Information technology companies face intense competition, both domestically and internationally, which may have an adverse effect on profit margins. Information technology companies may have limited product lines, markets, financial resources or personnel. The products of information technology companies may face product obsolescence due to rapid technological developments and frequent new product introduction, unpredictable changes in growth rates and competition for the services of qualified personnel. Companies in the information technology sector are heavily dependent on patent protection and the expiration of patents may adversely affect the profitability of these companies.

## **8.10 Risk of Investing in the Industrial Sector**

Companies in the industrials sector, of which defense companies are a component, may be adversely affected by changes in government regulation, world events and economic conditions. In addition, companies in the industrials sector may be adversely affected by environmental damages, product liability claims and exchange rates. The stock prices of companies in the industrials sector are affected by supply and demand both for their specific product or service and for industrial sector products in general. The products of manufacturing companies may face product obsolescence due to rapid technological developments and frequent new product introduction. In addition, the industrials sector may also be adversely affected by changes or trends in commodity prices, which may be influenced or characterised by unpredictable factors.

## **8.11 Equity Securities Risk**

The value of the equity securities held by the Fund may fall due to general market and economic conditions, perceptions regarding the markets in which the issuers of securities held by the Fund participate, or factors relating to specific issuers in which the Fund invests. For example, an adverse event, such as an unfavourable earnings report, may result in a decline in the value of equity securities of an issuer held by the Fund; the price of the equity securities of an issuer may be particularly sensitive to general movements in the securities markets; or a drop in the securities markets may depress the price of most or all of the equities securities held by the Fund. Equity securities are subordinated to preferred securities and debt in a company's capital structure with respect to priority in right to a share of corporate income, and therefore will be subject to greater dividend risk than preferred securities or debt instruments. In addition, while broad market measures of equity securities have historically generated higher average returns than fixed income securities, equity securities have also experienced significantly more volatility in those returns. A change in the financial condition, market perception or the credit rating of an issuer of securities included in the Fund's index may cause the value of its securities to decline.

## **8.12 Portfolio Turnover Risk**

It is anticipated that the Fund will have high portfolio turnover in seeking to replicate the Index, which will result in increased transaction costs to the Fund, including brokerage commissions, dealer mark-ups and other transaction costs on the sale of the securities and on reinvestment in other securities.

# **9 DIVIDEND POLICY**

It is not proposed that the Directors will declare a dividend in respect of the Fund. Full details of any change to the Fund's dividend policy will be provided in an updated Supplement and all Shareholders will be notified in advance.

## 10 KEY INFORMATION FOR PURCHASING AND SELLING

|                         |   |
|-------------------------|---|
| <b>Base Currency</b>    | US Dollar (USD)   |
| <b>Business Day</b>     | means every day other than a Saturday or Sunday (or such other day(s) as the Directors may from time to time determine and notify in advance to Shareholders).  |
| <b>Dealing Day</b>      | In general, each Business Day will be a Dealing Day. However, certain Business Days will not be Dealing Days where, in the sole determination of the Manager: (i) markets on which the Fund's investments are listed or traded, or markets relevant to the Index are closed, and/or (ii) there is a public holiday in the jurisdiction in which the Manager or its delegate(s), if applicable, is or are based; provided there is at least one Dealing Day per fortnight. The Dealing Days for the Fund are available at <a href="http://www.vaneck.com">www.vaneck.com</a> . |
| <b>Dealing Deadline</b> | 4:00 p.m. (Irish time) on the relevant Dealing Day.   |
| <b>Settlement Date</b>  | In the case of subscription(s), within 2 Business Days of the relevant Dealing Day.<br><br>In the case of repurchases, within 2 Business Days of the relevant Dealing Day.  |
| <b>Valuation Point</b>  | 11:00 p.m. (Irish time) on the relevant Dealing Day.  |
| <b>Website</b>          | Information on portfolio composition and details of intra-day portfolio value ( <b>iNAV</b> ) are set out on the website - <a href="http://www.vaneck.com">www.vaneck.com</a>   |

### Description of the Shares

|                             |   |
|-----------------------------|---|
| <b>Share Class</b>          | A   |
| <b>ISIN</b>                 | IE000SBU19F7  |
| <b>Initial Offer Period</b> | The Initial Offer Period shall commence at 9:00 a.m. (Irish time) 12 December 2023 and close at 5.00 p.m. (Irish time) on 11 June 2024 as may be shortened or extended by the Directors and notified to the Central Bank. |
| <b>Initial Price</b>        | Approximately USD 20, plus an appropriate provision for Duties and Charges, or such other amount as determined by the Manager and communicated to investors prior to investment.  |

|                                     |   |
|-------------------------------------|---|
| <b>Creation Unit</b>                | 50,000 Shares or such other amount as may be determined by the Directors at their discretion.   |
| <b>Minimum Initial Subscription</b> | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Initial Subscription. |
| <b>Minimum Holding</b>              | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Holding.              |

## 11 CHARGES AND EXPENSES

The following fees and expenses will be incurred by the Company on behalf of the Fund and will affect the Net Asset Value of the relevant Class of Share of the Fund:

|                    |   |
|--------------------|---|
| <b>Share Class</b> | A   |
| <b>Total Fee</b>   | Up to 0.49% per annum or such lower amount as may be advised to Shareholders from time to time. |

The Total Fee, a percentage of the Net Asset Value of the relevant Class of Shares (plus VAT, if any), is payable by the Company out of the Fund Assets to the Manager. The Total Fee will accrue on each day and will be calculated on each Dealing Day and paid monthly in arrears. The Total Fee will cover all of the ordinary fees, operating costs and expenses payable by the Fund including fees and expenses paid to the Manager, all ordinary costs and expenses connected with the management and operating activities of the Fund, including investment management and advisory fees, Director's fees, registration, transfer agency, administration and custody fees, registrar fees, regulators and auditors and certain legal expenses of the Company. The Total Fee does not include extraordinary costs and expenses (including but not limited to transaction charges, stamp duty or other taxes on the investments of the Company including duty charges for portfolio re-balancing, withholding taxes, commissions and brokerage fees incurred with respect to the Company's investments, interest on any non-overdraft credit facility and charges incurred in negotiating, effecting or varying the terms of such facility, any commissions charged by intermediaries in relation to an investment in the Fund and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the Company all of which will be paid separately out of the assets of the Fund). The cost of establishing the Fund will be borne by the Manager.

This section entitled Charges and Expenses should be read in conjunction with the sections entitled General Charges and Expenses and Management Charges and Expenses in the Prospectus.

## 12 REGISTRATION FOR PUBLIC DISTRIBUTION AND LISTING

Application is expected to be made to register the Fund for public distribution in various countries.

Application will be made to list the Shares on Euronext and other stock exchanges. Through the operation of such a secondary market, persons who are not Authorised Participants or not able or willing to subscribe for and redeem Creation Units will be able to buy Shares from or sell Shares to other retail investors or market makers, broker/dealers, or other Authorised Participants at prices which should approximate, after currency conversion, the Net Asset Value of the Shares.

## **13 HOW TO BUY AND SELL SHARES**

Investors can buy and sell Shares on the secondary market as described above in accordance with the procedures set out in the section entitled Secondary Market in the Prospectus.

Investors can otherwise subscribe for or redeem Creation Units in accordance with the procedures set out in the Prospectus.

## **14 SUSTAINABLE FINANCE DISCLOSURE**

The Manager has categorised the Fund as meeting the provisions set out in Article 6 of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector (“**SFDR**”) and does not follow a dedicated ESG investment strategy. The Fund does not have sustainable investment as its investment objective, nor does it promote environmental or social characteristics.

### **14.1 Sustainability Risks**

Sustainability risk is the risk that the value of an investment will decline as a result of an environmental, social or governance (ESG) event or circumstance. Ecological events include climate change, scarcity of natural resources and pollution. Social events may include labour issues and product liability. Governance can include themes such as shareholder rights, business ethics, diversity and executive remuneration. Sustainability risks can arise in all kinds of forms. With regard to the theme of climate, for example, there is a distinction between transition risks and physical risks, whereby transition risks can be divided into legal and regulatory risks, technological risks, market risks and reputation risks. In addition, the impact of sustainability risk has various scopes, including company-specific, sector-specific and on country level. The occurrence of a sustainability risk results in other (financial) risks manifesting. This can negatively affect the value of the investment.

Concrete examples of sustainability risks for the Fund are: a company has an overly generous remuneration policy or a remuneration policy that is inconsistent with the interests of the shareholders. This could cause the investee companies' stocks to decline. Also, a company's reputation can deteriorate as a result of negative publicity about an environmental, e.g. a particularly high amount of CO2 emission, social or labour issue. These can cause the value of a stock to decline. Furthermore, a company can be negatively affected by climate change, which can cause the value of its equity to decline. As this Fund does not represent a specific sector or industry and its composition is changing according to the index methodology, it is not possible to describe the impact of any specific sustainability risk for this Fund. Therefore, the expected impact of sustainability risks on the return depends on the type of sustainability risk that materialises. For developed and emerging markets equity portfolios, this expected impact is generally viewed as significant.

### **14.2 Sustainability Risk Integration Features**

The Fund has a passive investment policy whereby the Fund aims to follow the Index as closely as possible. The Index has no specific sustainability characteristics. The Fund therefore does not have any specific sustainability characteristics. In order to fulfil its responsibility as a responsible investor and as a signatory to the United Nations Principles for Responsible Investments, the Manager applies the following measures:

## **Exclusions**

Exclusions apply to this Fund as further outlined in section 10 of the Prospectus.

## **Voting**

The Manager can exercise his voting rights at shareholders' meetings, according to the Proxy Voting Policy. To assist in its responsibility for voting proxies and the overall voting process, the Manager has engaged an independent third party proxy voting specialist, Glass Lewis Europe Limited, which takes also Environmental, Social and Governance factors into account when casting votes.

In particular, the Glass Lewis ESG voting policy is applied:

- On the Environmental side, within others, measures in favour of increased disclosure of a company's environmental risk through company-specific disclosure as well as compliance with international environmental conventions and adherence to environmental principles will be supported. Similarly, the ESG Policy will support proposals requesting companies develop greenhouse gas emissions reduction goals, comprehensive recycling. The ESG Policy will evaluate a company's impact on the environment, in addition to the regulatory risk a company may face by not adopting environmentally responsible policies. Further, the ESG Policy will consider voting against directors for not appropriately overseeing environmental risk.
- On the Social side, the ESG Policy will support several proposals, including but not limited to requesting that a company develop sustainable business practices, such as animal welfare policies, human rights policies, and fair lending policies. Furthermore, the ESG Policy will also generally support enhancing the rights of workers, as well as considering the communities and broader constituents in the areas in which companies do business.
- On the Governance side, the ESG Policy supports, within other aspects, increased shareholder participation and access to a company and its board of directors. Accordingly, the ESG Policy will vote in favour of initiatives that seek to enhance shareholder rights, such as the introduction of majority voting to elect directors, the adoption and amendment of proxy access bylaws, the elimination/reduction of supermajority provisions, the declassification of the board, the submission of shareholder rights' plans to a shareholder vote, and the principle of one share, one vote.

## **Engagement**

The Manager appointed a third-party engagement specialist, Glass Lewis Europe Limited, for the passive equity funds managed by VanEck Asset Management B.V. The engagement provider determines the engagement approach in accordance with its engagement policy and based on its engagements' priorities.

### **14.3 Taxonomy Regulation Disclosure**

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

## **15 OTHER INFORMATION**

New Funds may be created from time to time by the Directors with the prior approval of the Central Bank in which case further Supplements incorporating provisions relating to those Funds will be issued by the Company.

The names of the Funds currently approved by the Central Bank are listed in the Global Addendum.



## SCHEDULE 1

### DISCLAIMER

The Manager has entered into a licensing agreement with Morningstar to use the Morningstar® US Small-Mid Cap Moat Focus Index<sup>SM</sup>. VanEck Morningstar US SMID Moat UCITS ETF (the **Fund**) is entitled to use the Morningstar® US Small-Mid Cap Moat Focus Index<sup>SM</sup> pursuant to a sub-licensing arrangement with the Manager.

The Fund is not sponsored, endorsed, sold or promoted by Morningstar. Morningstar makes no representation or warranty, express or implied, to the shareholders of the Fund or any member of the public regarding the advisability of investing in securities generally or in the Fund in particular or the ability of the Morningstar® US Small-Mid Cap Moat Focus Index<sup>SM</sup> to track general stock market performance. Morningstar's only relationship to the Manager is the licensing of certain service marks and service names of Morningstar and of the Morningstar® US Small-Mid Cap Moat Focus Index<sup>SM</sup>, which is determined, composed and calculated by Morningstar without regard to the Manager or the Fund. Morningstar has no obligation to take the needs of the Manager or the shareholders of the Fund into consideration in determining, composing or calculating the US Small-Mid Cap Moat Focus Index. Morningstar is not responsible for and has not participated in the determination of the prices and amount of the Morningstar® US Small-Mid Cap Moat Focus Index<sup>SM</sup> or the timing of the issuance or sale of the Morningstar® US Small-Mid Cap Moat Focus Index<sup>SM</sup> or in the determination or calculation of the equation by which the Morningstar® US Small-Mid Cap Moat Focus Index<sup>SM</sup> is converted into cash. Morningstar has no obligation or liability in connection with the administration, marketing or trading of the Morningstar® US Small-Mid Cap Moat Focus Index<sup>SM</sup>.

MORNINGSTAR DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE MORNINGSTAR US SMALL-CAP MOAT FOCUS INDEX OR ANY DATA INCLUDED THEREIN AND MORNINGSTAR SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. MORNINGSTAR MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE ADVISER, SHAREHOLDERS OF THE FUND, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE WIDE MOAT FOCUS INDEX OR ANY DATA INCLUDED THEREIN. MORNINGSTAR MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE WIDE MOAT FOCUS INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL MORNINGSTAR HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

#### **Intellectual Property - Role of Morningstar**

The Morningstar® US Small-Mid Cap Moat Focus Index<sup>SM</sup> was created and is maintained by Morningstar Indexes GmbH ("Morningstar"). Morningstar does not sponsor, endorse, issue, sell, or promote the Fund and bears no liability with respect to the Fund or any security. Morningstar® is a registered trademark of Morningstar and Morningstar® US Small-Mid Cap Moat Focus Index<sup>SM</sup> is a service mark of Morningstar.

The indicative optimised portfolio value/intra-day portfolio value is calculated by S&P Global Ltd.

**VANECK UCITS ETFs plc**

**Supplement dated 30 April 2025**

**for**

**VanEck Quantum Computing UCITS ETF**

This Supplement contains specific information in relation to the **VanEck Quantum Computing UCITS ETF** (the **Fund**), a sub-fund of VanEck UCITS ETFs plc (the **Company**), an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank pursuant to the Regulations.

**This Supplement forms part of, may not be distributed unless accompanied by (other than to prior recipients of the Prospectus of the Company dated 20 December 2024, as may be amended, supplemented, or modified from time to time), and should be read in conjunction with the Prospectus for the Company.**

THIS DOCUMENT IS IMPORTANT. YOU SHOULD NOT PURCHASE SHARES IN THE FUND DESCRIBED IN THIS SUPPLEMENT UNLESS YOU HAVE ENSURED THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT AND THE RISKS INVOLVED AND ARE SATISFIED THAT THE INVESTMENT IS SUITED TO YOUR CIRCUMSTANCES AND OBJECTIVES, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU ARE RECOMMENDED TO TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR.

The Directors of the Company whose names appear in the section entitled **Directors of the Company** in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

**Shares purchased on the secondary market cannot usually be sold directly back to the Fund. Investors must buy and sell Shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value when buying Shares and may receive less than the current Net Asset Value per Share when selling them.**

**An investment in the Fund, whose securities comprise holdings in emerging markets, should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors.**

Certain risks attached to investments in the Fund are set out in the Prospectus in the section entitled Risk Factors.

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## **1 IMPORTANT INFORMATION**

### **1.1 Profile of a typical investor**

A typical investor is expected to be an informed investor who is able to bear capital and income risk, and should view investment in the Fund as a medium to long term investment. A typical investor is expected to be an investor who wishes to take exposure to the markets covered by the Fund's investment policy and is prepared to accept the risks associated with an investment of this type, including the volatility of such market.

### **1.2 General**

This Supplement sets out information in relation to the Shares and the Fund. You must also refer to the Prospectus which is separate to this document and describes the Company and provides general information about offers of shares in the Company. You should not take any action in respect of the Shares unless you have received a copy of the Prospectus. Should there be any inconsistency between the contents of the Prospectus and this Supplement, the contents of this Supplement will, to the extent of any such inconsistency, prevail. This Supplement and the Prospectus should both be carefully read in their entirety before any investment decision with respect to Shares is made.

The Shares of the Fund have been admitted to listing on the Official List and trading on the Regulated Market of Euronext Dublin. This Supplement together with the Prospectus includes all information required to be disclosed by Euronext Dublin listing requirements and comprise listing particulars for the purpose of listing the Shares of the Fund on Euronext Dublin.

Neither the admission of Shares of the Fund to listing on the Official List and to trading on the Regulated Market of Euronext Dublin nor the approval of the listing particulars pursuant to the listing requirements of Euronext Dublin shall constitute a warranty or representation by Euronext Dublin as to the competence of service providers to or any other party connected with the Fund, the adequacy of information contained in the listing particulars or the suitability of the Fund for investment purposes.

As of the date of this Supplement, the Company does not have any loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

### **1.3 Suitability of Investment**

You are advised to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Shares.

The Shares are not principal protected. The value of the Shares may go up or down and you may not get back the amount you have invested. See the section entitled Risk Factors of the Prospectus and the section entitled Risk Factors of this Supplement for a discussion of certain risks that should be considered by you.

An investment in the Shares is only suitable for you if you are a sophisticated investor and (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from

such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

## **1.4 Distribution of this Supplement and Selling Restrictions**

Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus and is not authorised in any jurisdiction after publication of the audited annual report of the Company unless a copy of the then latest annual report and, if distributed after the semi-annual report has been produced, a copy of the then latest published semi-annual report and unaudited accounts is made available in conjunction with the Prospectus and this Supplement. The distribution of this Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. If you receive a copy of this Supplement and/or the Prospectus you may not treat such document(s) as constituting an offer, invitation or solicitation to you to subscribe for any Shares unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without compliance with any registration or other legal requirement other than those with which the Company has already complied. If you wish to apply for the opportunity to purchase any Shares it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile.

## **2 INVESTMENT OBJECTIVE AND POLICIES**

### **2.1 Investment Objective**

The Fund's investment objective is to replicate the price and the performance, before fees and expenses, of an index that provides exposure to companies involved in the development of quantum computing technology or are leaders in ownership of quantum computing related patents.

### **2.2 Investment Policy**

In order to seek to achieve its investment objective, the Manager will normally use a replication strategy by investing directly in the underlying equity securities of MarketVector™ Global Quantum Leaders Index (the "**Index**") being the equity stocks, American depository receipts (ADRs), global depository receipts (GDRs) that consists of the component securities of the Index. Such equity securities must be issued by companies listed or traded on the Markets referred to in Appendix II of the Prospectus who derive 50% (25% for current components) of their revenues from or operating activity from quantum computing technology or services or have at least 5 patents related to quantum computing technology. "Quantum computing" refers to the development of hardware, software, and technologies that utilize the principles of quantum mechanics to perform computations based on quantum mechanical states, rather than the traditional binary framework of classical computing. In theory, this means that instead of the traditional binary computing that uses bits (0 and 1), calculations are performed using the so-called "qubits" that are based on quantum mechanical states which can be 0, 1, or both at the same time, vastly increasing computing capacity. If the premise of quantum computers were realised, they would be able solve certain computational problems much faster than traditional computers, including those in areas such as chemistry, pharmaceuticals and cryptography. Such equity securities will include companies involved in the following categories of entity involved in "Quantum Computing", as further described in the section titled "Information on the Index":

- research, design, and manufacturing of quantum computers and related hardware systems, including quantum processors (central processing unit of quantum computers) and quantum interconnects (communication links between quantum processors),

- application of quantum computing in areas such as scientific research, optimization, and secure communications,
- integration and interaction of quantum computing with traditional computing systems,
- development of specialized software and algorithms tailored for quantum computing hardware, and/or
- creation of quantum-enhanced encryption algorithms and cybersecurity solutions.

More information on the Index, including the constituent selection criteria, is provided below under section 4 "Information on the Index". Changes to the categories of entity involved in "Quantum Computing" will be reflected in an updated Supplement, where appropriate, to reflect any amendments to the Index in the section titled "Information on the Index".

The Fund will seek the prior approval of the Central Bank should the Fund seek to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. In exceptional market circumstances, such as, but not limited to, a material price movement impacting the weighting of an underlying equity security of the Index or disruptive market conditions or extremely volatile markets, an underlying equity security of the Index which is held by the Fund may exceed the regulatory limits intra rebalancing dates which would result in the Fund seeking to avail of the increased limits under Regulation 71(2) of the UCITS Regulations. Where it is not practical or cost efficient for the Fund to fully replicate the Index, the Manager may utilise an optimised sampling methodology and further detail in respect of this approach is set out in the section entitled Investment Approach below.

The Fund may invest more than 20% of its Net Asset Value in emerging markets.

**The Fund may also (or alternatively) invest in financial derivative instruments (FDIs) which relate to the Index or constituents of the Index.** The FDIs which the Fund may use are futures, options (puts and calls), swaps (including equity swaps and swaps on the Index), currency forwards and non-deliverable forwards (a forward contract that does not require settlement on maturity) (NDFs). Futures and options may be used in order to equitise (use) cash balances pending investment of subscription proceeds or other cash balances held by the Fund to seek to reduce tracking error. Currency forwards and NDFs may be used to hedge currency exposures. The Fund may use FDIs as an alternative to direct investment in the constituents of the Index in order to avail of the related cost or liquidity advantages of FDIs which may, in certain circumstances, be available over the direct investment in the constituents of the Index. The Fund may also use American depository receipts (ADRs) or global depository receipts (GDRs) to gain exposure to equity securities instead of using physical securities in circumstances where, due to local restrictions or quota limitations, it is not possible to hold these directly or where it is otherwise advantageous to the Fund to do so.

The Fund may also invest in ancillary liquid assets and money market instruments which may include bank deposits, depository receipts, certificates of deposit, fixed or floating rate instruments (treasury bills), commercial paper, floating rate notes and freely transferable promissory notes. The ancillary liquid assets, money market instruments and FDI (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II of the Prospectus. Investment in ancillary liquid assets and money market instruments may be utilised in a variety of circumstances, including but not limited to, situations such as managing total exposure to cash and borrowing on a short-term basis and in anticipation of participation in a rights offering.

## 2.3 Efficient Portfolio Management

Investors should note that the Fund may invest in FDIs for efficient portfolio management or hedging purposes only. The Fund may use futures, swaps and currency forwards for the purpose of reducing risk associated with currency exposures within the Fund. This may on occasion lead to an increase in the risk profile of the Fund or result in a fluctuation in the expected level of volatility. Please see the section entitled Risk Factors in the Prospectus in relation to such risks.

The Fund will employ the commitment approach to assess the Fund's global exposure and to ensure that the Fund's use of derivative instruments is within the limits specified by the Central Bank. Global exposure will be calculated daily. While the Fund may be leveraged through the use of the FDIs, any such leverage will not exceed 100% of the Fund's Net Asset Value.

Investment in FDIs is subject to the conditions and limits contained in the CBI UCITS Regulations. Subject to these limits, the Fund may invest in FDIs dealt on any of the regulated markets set out in the list of Markets in Appendix II to the Prospectus (and/or over the counter FDIs (OTCs)) which will be used for investment, efficient portfolio management and/or for hedging purposes.

The Company employs a risk management process which enables it to accurately measure, monitor and manage at any time the various risks associated with FDIs and their contribution to the overall risk profile of the portfolio of assets of the Fund. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments. The Fund will only invest in FDIs in accordance with the risk management policy prepared and submitted to the Central Bank in accordance with the Central Bank requirements.

The Fund may invest in FDIs dealt OTC provided that the counterparties to OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

Position exposure to the underlying assets of FDIs or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the CBI UCITS Regulations.

In addition, the Fund may enter into stock lending, repurchase and reverse repurchase agreements for efficient portfolio management purposes only subject to the conditions and the limits set out in the CBI UCITS Regulations. Investors are referred to the section entitled Use of Financial Derivative Instruments and Efficient Portfolio Management in the Prospectus.

## **2.4 Securities Financing Transactions**

While the Company may enter into securities financing transactions and repurchase agreements (SFTs) (as defined under Article 3 (11) of Regulation (EU) 2015/2365) (the SFTR), it is not anticipated that the Fund will enter into any SFTs. However, in the event that the Fund contemplates entering into such transactions, investors will be provided with further details of the structure and use of such transactions, together with any other information required to be disclosed to investors in accordance with Articles 13 and 14 of the SFTR. The Supplement will be updated accordingly in the event that the Fund will enter into any SFTs.

## **3 INVESTMENT APPROACH**

In order to seek to achieve its investment objective, the investment policy of the Fund is to use a replication strategy by investing directly in the underlying securities that consists of the component securities of the Index. The Fund will be 'passively' managed.

Where full replication is not possible, the Fund will invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities that generally replicate the Index. However, under various circumstances, it may not be practicable and possible to invest in such equity securities in proportion to their weightings in the Index. It is not expected that the Fund would invest in securities outside the Index under normal circumstances. In extraordinary circumstances the Fund may use such other techniques including, but not limited to, representative or “optimised” sampling to gain access to stocks which provide economic characteristics similar to the security in the Index. There also may be instances, for example if one or more securities are suspended from trading or in situations where the Fund is forced to liquidate particular securities, in which the Manager may choose to overweight a security in the Index, purchase securities not in the Index which the Manager believes are appropriate to substitute for certain securities in the Index or utilise other investment techniques in seeking to replicate, before fees and expenses, the price and yield performance of the Index. The Fund may sell securities that are represented in the Index in anticipation of their removal from the Index or purchase securities not represented in the Index in anticipation of their addition to the Index.

Anticipated tracking error is based on the expected volatility of differences between the returns of the Fund and the returns of the Index. For a physically replicating ETF, one of the primary drivers of tracking error is the difference between the Fund’s holdings and Index constituents. Cash management, trading costs from rebalancing and withholding tax or stamp duty suffered by the Fund on any income received from its Investments can also have an impact on tracking error as well as the return differential between the ETF and the benchmark Index. The impact can be either positive or negative depending on the underlying circumstances. The anticipated tracking error of the Fund is not a guide to its future performance. The annualised tracking error envisaged is not anticipated to exceed 0.20% under normal market conditions.

#### 4 INFORMATION ON THE INDEX

The Index is a thematic index tracking the performance of companies involved in the development of quantum computing technology or are leaders in ownership of quantum computing related patents.

The Index only includes companies with at least 50% (25% for current components) of their revenues or operating activity from quantum computing technology or services (referred to as “**Quantum Computing Technology**”) or have at least five patents related to Quantum Computing Technology (referred to as “**Quantum Computing Patents**”). “Quantum computing” refers to the development of hardware, software, and technologies that utilize the principles of quantum mechanics to perform computations based on quantum mechanical states, rather than the traditional binary framework of classical computing. Quantum computing technologies include, but are not limited to:

- research, design, and manufacturing of quantum computers and related hardware systems,
- application of quantum computing in areas such as scientific research, optimization, and secure communications,
- integration and interaction of quantum computing with traditional computing systems,
- development of specialized software and algorithms tailored for quantum computing hardware, and/or
- creation of quantum-enhanced encryption algorithms and cybersecurity solutions

Patent data used in this index is sourced from EconSight AG. EconSight AG is a provider of data, analytics, and insights including a patent portfolio of active total Quantum Computing Technology



patents of publicly traded companies. The patent data used is as of the 15th of the month prior to a review. If, for any reason, the data is not available the data from the previous review is used.

Furthermore, companies that are included in the China universe of the MarketVector Total Global Equity Index are not eligible for inclusion in this index.

Due to certain restrictions security listings on exchanges in the following countries do not qualify for the index universe: Bahrain, China (domestic market), India, Kuwait, Luxembourg, Oman, Qatar, Russia, Saudi Arabia, United Arab Emirates, and Vietnam. The Index will not have a particular regional focus. The Index excludes any eligible security which is listed on any of the following markets:

- Paris Euronext Auction,
- Hamburger Boerse and Boerse Berlin,
- Oslo Euronext Growth, and
- **London Stock Exchange:** AIM, AIMI, ASQ1, ASQ2, ASX1, ASXN, SFM2, SFM3, SSQ3, SSX3, SSX4, EQS.

The Index does not consider companies that derive at least 50% of their revenue from the defense industry and the Index excludes companies that violate certain ESG criteria included in the following categories: Norm-based research, and controversial weapons. The Index Provider utilises ESG data provided by Institutional Shareholder Services group of companies (ISS). ISS provides the Index Provider with high-quality data, analytics and insight, including country ESG research and ratings enabling the Index Provider to identify material social and environmental risks and opportunities. Further, companies that are not covered by ISS or for which all relevant data fields are not collected by ISS may be eligible for inclusion. In these cases the Index Provider will review the impact and will act on a best-efforts basis to ensure data coverage by performing qualitative data research through the review of relevant publicly available information of the respective company.

The Index does not consider companies that derive at least 50% of their revenue from the defense industry and that violate certain ESG criteria included in the following categories (binding criteria):

- ISS Norms-based controversy score of 9 (Imminent failure to respect established norms) or 10 (Verified failure to respect established norms)
- Verified involvement in controversial weapons: Anti-Personnel Mines, Biological and Chemical Weapons, Cluster Munitions, Depleted Uranium, Incendiary Weapons, White Phosphorus and Nuclear Weapons outside the Non-Proliferation treaty.

As outlined in the Index methodology, which is available on the Index Providers website, norm's-based violations of a particular activity are measured by reference to the Norms-Based Research Overall Score. The Norms-Based Research Overall Score evaluates allegations that companies fail to abide by global norms concerning society, environment and governance. The determination of value is guided by a systematic evaluation of key factors, such as credibility of information, status of practice and impact, problematic strategy/policy, recurrence, and scope of impact. Issue/theme specific thresholds apply.

The Index employs a capping scheme to ensure diversification. The maximum-security weight is the lesser of:

- 8% for Quantum Computing Technology or 4% for Quantum Computing Patents; or

- the security's three-month average daily trading volume in USD divided by 750.00 million USD.

The minimum weight of Quantum Computing Technology is 20% and the maximum weight of Quantum Computing Patents is 80%. Components are weighted in proportion to their free-float adjusted market capitalization. The market capitalisation of components is free-float adjusted by reducing the number of shares outstanding to exclude from the index calculation any registered shareholders that own or control greater than 5% of the shares in issue of any component. If the aggregate weight of components in any tier is greater/less than the maximum/minimum tier weight, the weight of components in that tier will be reduced/increased in proportion to their free-float adjusted market capitalisation so that the aggregate weight of components in that tier is equal to the maximum/minimum tier weight. The excess weight is redistributed proportionally among remaining tiers and this process is repeated until the aggregate weight of all tier weights equals 100% and no tier weight violates its maximum/minimum tier weight. If a security's weight exceeds the maximum weight, the weight will be reduced to the maximum weight and the excess weight will be redistributed among uncapped and components proportionally within the security's respective tier. This process is repeated until the sum of all components' weights is equal to 100% and no component's weight exceeds the maximum-security weight. The maximum weight of components takes precedence over tier weights. In case the fixed tier weights create a conflict with the maximum component weights, tier weights may be adjusted accordingly (on a proportional basis) to allow the aggregate weight of all index components to equal 100% while satisfying all other capping scheme constraints. The nominal value used in the liquidity overlay may be adjusted downward to allow the aggregate weight of all Index components to equal to 100% while satisfying all other capping scheme constraints.

For inclusion in the Index, components must meet the following size and liquidity requirements:

- Only companies with a free-float (or shares available to foreign investors) of at least 10%;
- Full market capitalisation exceeding 150.00 million USD (100.00 million USD for companies with at least 50% of revenue or operating activity from Quantum Computing Technology);
- Three-month average daily trading volume of at least 1.00 million USD (0.25 million USD for companies with at least 50% of revenue or operating activity from Quantum Computing Technology) at the current quarter and at the previous two quarters; and
- At least 250,000 shares (200,000 shares for companies with at least 50% of revenue or operating activity from Quantum Computing Technology) traded per month over the last six months at the current review and at the previous two reviews.

Current Index constituents are subject to the following liquidity requirements:

- Only companies with a free-float (or shares available to foreign investors) of at least 5%;
- Full market capitalisation exceeding 75.00 million USD; and
- Three-month average-daily-trading volume of at least 0.2 million USD in at least two of the latest three quarters (current quarter and at the previous two quarters).
- In addition, a three-month average-daily-trading volume of at least 0.6 million USD (0.20 million USD for companies with at least 25% of revenue or operating activity from Quantum Computing Technology) at the current review or at one of the previous two

reviews, or at least 200,000 shares traded per month over the last six months at the current review and at the previous two reviews.

The reviews for the Index are based on the closing data on the last business day in February, May, August and November. If a company does not trade on the last business day in February, May, August or November, the last available price for such company will be used. The Index Provider has defined a “business day” to mean any day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in Frankfurt.

Component weights are determined based on closing data as of the Wednesday prior to the second Friday of March, June, September, and December. If a security does not trade on the Wednesday prior to the second Friday of March, June, September, and December, the last available closing data for this security will be used.

The underlying review and rebalance data (i.e. weights, shares outstanding, free-float factors, and new weighting cap factors) is announced on the second Friday of March, June, September and December.

Changes to the Index will be implemented and based on the closing prices of the third Friday of every quarter-end month (i.e. March, June, September and December). If the third Friday is not a business day, the review will take place on the last business day before the third Friday of such quarter-end month. If a company does not trade on the third Friday of a quarter-end month, then the last available price for such company will be used. Changes become effective on the next business day

The Index targets a coverage of 30 components, as follows:

1. The 15 largest securities based on free-float market capitalisation with at least 50% (25% for current components) of revenue or operating activity from Quantum Computing Technology are selected to the Index.
2. If there are fewer than 15 eligible securities with at least 50% (25% for current components) of revenue or operating activity from Quantum Computing Technology, all such eligible securities will be selected to the Index.
3. Additional securities are added based on the following procedure:
  - a) All remaining eligible securities are sorted based on the number of Quantum Computing Patents (if two securities have the same number of patents, the one with the larger free-float market capitalisation is placed on top). Securities are assigned a rank with the company at the top of the list receiving a rank of 1.
  - b) The highest-ranking securities are selected to the Index until a total of 20 (inclusive of securities selected in the step above) are selected.
  - c) Current Index components ranking in the top 40 are also selected to the Index.
  - d) If fewer/greater than 30 securities have been selected to the Index the highest/lowest ranking securities are added/removed until a total of 30 securities have been selected.
4. In case the number of eligible securities is below the minimum of 30, additional securities are added by the Index Provider's decision until the number of securities selected to the index reaches the minimum of 30 components.

For all corporate events that result in a stock deletion from the Index, the deleted stock will be replaced with the highest ranked non-component on the most recent selection list immediately only if the number of components in the Index would drop below 20. The replacement stock will be added at the same weight as the deleted stock. Only in case the number of components drops below its minimum due to a merger of two or more components, the replacement stock will be added with its uncapped free-float

market capitalisation weight. In all other cases, i.e. there is no replacement, the additional weight resulting from the deletion will be redistributed proportionally across all other constituents.

The information on the Index contains a summary of the principal features of the Index and is not a complete description of the Index. In case of inconsistency between the Information on the Index contained in this summary and the complete description of the Index which can be found on the Index Provider's website, the complete description of the Index prevails. Information on the Index appears on the website identified in the section entitled "Index Provider". Such information may change from time to time and details of the changes will appear on that website.

## 5 INDEX PROVIDER

The Index is published by MarketVector Indexes™ GmbH (the **Index Provider**), an affiliated company of the Manager. The Index Provider has contracted with Solactive AG to maintain and calculate the Index. The Index Provider does not sponsor, endorse, or promote the Fund and bears no liability with respect to the Fund or any security. The Index Provider will notify the Fund of material errors in the Index via the Index Provider's website. The Index Provider is an authorised benchmark administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation.

In accordance with Central Bank requirements, the Company is required to provide details of the Index Provider's website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company has no responsibility for the Index Provider's website and is not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof. Further information in relation to the Index may be found on the Index Provider's website, <https://www.marketvector.com/indexes/sector/marketvector-global-quantum-leaders>.

## 6 INVESTMENT RESTRICTIONS

The general investment restrictions as set out in the Prospectus shall apply. The Fund may not invest more than 10% of its Net Asset Value in open-ended collective investment schemes.

The Fund may not invest less than 51% of its Net Asset Value in equity securities which constitute "equity participation" within the meaning of section 2, Article 8 of the German Investment Tax Act (Investmentsteuergesetz). Equity participation in this context consists of shares in corporations traded or admitted for trading on a regulated market or multilateral trading facility (MTF) considered as such by the European Securities and Markets Authority (ESMA). The actual equity participation ratios of target investment funds can be taken into account.

There may be instances where the weighting of any constituent security of the Index could cause the Fund to breach the investment restrictions set out in the Prospectus. If such an event occurs, it is intended that the Fund will purchase other assets, the effect of which will seek to maintain, so far as is possible, the same economic exposure to and the same weighting of the security of that issuer in the Index without breaching its investment restrictions.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of Shareholders.

## 7 BORROWING

The Fund may borrow money in an amount up to 10% of the market value of its net assets at any time for the account of any Fund and the Depositary may charge the assets of the Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes.

The Fund may acquire currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of the Regulations provided that the offsetting deposit is denominated in the Base Currency of the Fund and equals or exceeds the value of the foreign currency loan outstanding.

## **8 RISK FACTORS**

The general risk factors as set out in the section entitled Risk Factors in the Prospectus apply.

Investors in the Fund should be willing to accept a high degree of volatility in the price of the Fund's Shares and the possibility of significant losses. An investment in the Fund involves a substantial degree of risk. Therefore, you are advised to consider carefully the following risks before investing in the Fund.

An investment in the Fund may be subject to risks which include, among others, material transaction cost from rebalancing activity and fluctuations in the value of securities held by the Fund due to market and economic conditions or factors relating to specific issuers.

The value of investments and the income from them, and therefore the value of and income from the Shares can go down as well as up and an investor may not get back the amount invested. The Fund's exposure is based on the performance of the Index securities which, in turn, is exposed to general market movements (negative as well as positive).

Certain additional risks may also be associated with the Fund, including, without limitation:

### **8.1 Risk of Investing in the Quantum Computing Industry**

Companies across a wide variety of industries, primarily in the technology sector, are exploring the possible applications of quantum computing technologies. While first initial applications have been developed, the full versatility and commercial viability of these technologies remains uncertain. There is no assurance that quantum computing will achieve long-term commercial success. Consequently, the Fund's holdings may include equity securities of companies across a range of industries, and the economic performance of certain companies held by the Fund may not be significantly tied to such technologies. Currently, few publicly traded companies derive a substantial portion of their revenue or profit from quantum computing technologies. The described uncertainties could result in increased volatility and the potential for the market size of quantum-focused companies to become immaterial.

### **8.2 Risk of Investing in Medium-Capitalisation Companies**

Medium-capitalisation companies may be more volatile and more likely than large-capitalisation companies to have narrower product lines, fewer financial resources, less management depth and experience and less competitive strength. In addition, these companies often have greater price volatility, lower trading volume and less liquidity than larger, more established companies. Returns on investments in securities of medium capitalisation companies could trail the returns on investments in securities of large-capitalisation companies.

### **8.3 Risk of Investing in Smaller Companies**

The securities of smaller companies may be more volatile and less liquid than the securities of large companies. As securities of smaller companies may experience more market price volatility than

securities of larger companies, the net asset value of any fund which invests in smaller companies (such as the Fund) may reflect this volatility. Smaller companies, when compared with larger companies, may have a shorter history of operations, fewer financial resources, less competitive strength, may have a less diversified product line, may be more susceptible to market pressure and may have a smaller market for their securities. Investment in smaller companies may involve comparatively higher investment costs and accordingly investment in the Fund should be viewed as a long-term investment. The Fund may however dispose of an investment made by it within a relatively short period of time, for example, to meet requests for redemption of Shares.

#### **8.4 Emerging Markets Risk**

Investments in securities of emerging market issuers are exposed to a number of risks that may make these investments volatile in price or difficult to trade. Emerging markets are more likely than developed markets to experience problems with the clearing and settling of trades, as well as the holding of securities by local banks, agents and depositories. Political risks may include unstable governments, nationalisation, restrictions on foreign ownership, laws that prevent investors from getting their money out of a country and legal systems that do not protect property rights as well as the laws in developed countries. Market risks may also include economies that concentrate in only a few industries, securities issues that are held by only a few investors, liquidity issues and limited trading capacity in local exchanges and the possibility that markets, or issues may be manipulated by foreign nationals who have inside information. The frequency, availability and quality of financial information about investments in emerging markets varies. The Fund has limited rights and few practical remedies in emerging markets and the ability of authorities in developed countries to bring enforcement actions in emerging markets may be limited, and the Fund's passive investment approach does not take account of these risks. All of these factors can make emerging market securities more volatile and potentially less liquid than securities issued in more developed markets.

#### **8.5 Special Risk Considerations of Investing in Asian Issuers**

The Fund may invest in securities issued by Asian issuers and, accordingly, may be subject to the risk of investing in such issuers. Investment in securities of issuers in Asia involves risks and special considerations not typically associated with investment in the securities markets of developed countries. Certain Asian economies have experienced over-extension of credit, currency devaluations and restrictions, high unemployment, high inflation, decreased exports and economic recessions. Economic events in any one Asian country can have a significant effect on the entire Asian region as well as on major trading partners outside Asia, and any adverse effect on some or all of the Asian countries and regions in which the Fund invests. The securities markets in some Asian economies are relatively underdeveloped and may subject the Fund to higher action costs or greater uncertainty than investments in more developed securities markets. Such risks may adversely affect the value of the Fund's investments.

#### **8.6 Foreign Currency Risk**

In the event that the Fund's assets are invested in securities denominated in currencies other than the Base Currency, all or a portion of the proceeds received by the Fund from its investments and/or the revenues received from such underlying issuer will generally not be in the Base Currency. The Fund's exposure to foreign currencies and changes in the value of foreign currencies versus the Base Currency may result in reduced returns for the Fund. Moreover, the Fund may incur costs in connection with conversions between the Base Currency and foreign currencies. The value of an emerging market country's currency may be subject to a high degree of fluctuation. This fluctuation may be due to changes in interest rates, investors' expectations concerning inflation and interest rates, the emerging market country's debt levels and trade deficit, the effects of monetary policies issued by foreign

governments, central banks or supranational entities, the imposition of currency controls or other national or global political or economic developments. The economies of certain emerging market countries can be significantly affected by currency devaluations. Certain emerging market countries may also have managed currencies which are maintained at artificial levels relative to the Base Currency rather than at levels determined by the market. This type of system could lead to sudden and large adjustments in the currency, which in turn, can have a negative effect on the Fund and its investments.

## **8.7 Equity Securities Risk**

The value of the equity securities held by the Fund may fall due to general market and economic conditions, perceptions regarding the markets in which the issuers of securities held by the Fund participate, or factors relating to specific issuers in which the Fund invests. For example, an adverse event, such as an unfavourable earnings report, may result in a decline in the value of equity securities of an issuer held by the Fund; the price of the equity securities of an issuer may be particularly sensitive to general movements in the securities markets; or a drop in the securities markets may depress the price of most or all of the equities securities held by the Fund. Equity securities are subordinated to preferred securities and debt in a company's capital structure with respect to priority in right to a share of corporate income, and therefore will be subject to greater dividend risk than preferred securities or debt instruments. In addition, while broad market measures of equity securities have historically generated higher average returns than fixed income securities, equity securities have also experienced significantly more volatility in those returns. A change in the financial condition, market perception or the credit rating of an issuer of securities included in the Fund's index may cause the value of its securities to decline.

## **8.8 Risk of Issuer-Specific Changes**

The value of individual securities or particular types of securities in the Fund's portfolio can be more volatile than the market as a whole and can perform differently from the value of the market as a whole, which may have a greater impact if the Fund's portfolio is concentrated in a country, group of countries, region, market or asset class. The value of securities of smaller issuers can be more volatile than that of larger issuers. A change in the financial condition, market perception or the credit rating of an issuer of securities included in the Index may cause the value of its securities to decline.

## **8.9 Liquidity Risk**

The Company provides daily liquidity. Under normal circumstances, all positions can be sold within a very short period of time without realising significant losses. However, unforeseen circumstances can give rise to abnormal conditions which could cause the Company to face liquidity risk. It could be unable to sell its positions as a result. The degree to which the securities in which the Fund invests can be traded affects the level of the actual buy and sell prices. This could mean that securities cannot be sold or can only be sold at a substantially lower price than the valuation assigned and the Fund may be unable to free up adequate funds to satisfy its purchase obligations. The bid/ask prices can deviate from the asset value of the share in the Fund, as a result of which the performance may deviate from that of the underlying Index or Indices, certainly in the event of limited liquidity on the market. To limit this risk, investments are only made in listed securities. In exceptional circumstances, if the purchase of shares in the Company is suspended for instance, there could be a risk that the investor may be unable to sell their investment at the desired moment or for a reasonable price. Given the open-ended character of the Company, it could be confronted with a high number of exits which would mean investments would have to be liquidated under potentially unfavourable conditions. This would negatively impact the value of the share. As described in this Prospectus, the purchase of shares may be (temporarily) suspended under certain circumstances.

## 8.10 Concentration Risk

The Fund's assets may be concentrated in a particular sector or sectors or industry or group of industries to the extent the Index concentrates in a particular sector or sectors or industry or group of industries. Accordingly, the Fund may be subject to the risk that economic, political or other conditions that have a negative effect on a particular industry or sector will negatively impact the Fund to a greater extent than if the Fund's assets were invested in a wider variety of sectors or industries.

The Fund may be particularly vulnerable to this risk because the Index is comprised of securities of a very limited number of issuers. The Fund's assets may be concentrated in a small number of stocks and/or may be concentrated in particular sectors which may subject the Fund to more risk than investments in a diverse group of companies and sectors.

## 9 DIVIDEND POLICY

It is not proposed that the Directors will declare a dividend in respect of the Fund. Full details of any change to the Fund's dividend policy will be provided in an updated Supplement and all Shareholders will be notified in advance.

## 10 KEY INFORMATION FOR PURCHASING AND SELLING

|                         |   |
|-------------------------|---|
| <b>Base Currency</b>    | US Dollar (USD)   |
| <b>Business Day</b>     | means every day other than a Saturday or Sunday (or such other day(s) as the Directors may from time to time determine and notify in advance to Shareholders).  |
| <b>Dealing Day</b>      | In general, each Business Day will be a Dealing Day. However, certain Business Days will not be Dealing Days where, in the sole determination of the Manager: (i) markets on which the Fund's investments are listed or traded, or markets relevant to the Index are closed, and/or (ii) there is a public holiday in the jurisdiction in which the Manager or its delegate(s), if applicable, is or are based; provided there is at least one Dealing Day per fortnight. The Dealing Days for the Fund are available at <a href="http://www.vaneck.com">www.vaneck.com</a> . |
| <b>Dealing Deadline</b> | 4:00 p.m. (Irish time) on the Business Day prior to the relevant Dealing Day.   |
| <b>Settlement Date</b>  | In the case of subscription(s), within 2 Business Days of the relevant Dealing Day.<br><br>In the case of repurchases, within 3 Business Days of the relevant Dealing Day.  |
| <b>Valuation Point</b>  | 11:00 p.m. (Irish time) on the relevant Dealing Day.  |
| <b>Website</b>          | Information on portfolio composition and details of intra-day portfolio value (iNAV) are set out on the website - <a href="http://www.vaneck.com">www.vaneck.com</a>  |

### Description of the Shares



|                                     |  |
|-------------------------------------|--|
| <b>Share Class</b>                  | A  |
| <b>ISIN</b>                         | IE0007Y8Y157   |
| <b>Initial Offer Period</b>         | The Initial Offer Period shall commence at 9:00 a.m. (Irish time) 1 May 2025 and close at 5.00 p.m. (Irish time) on 31 October 2025 as may be shortened or extended by the Directors and notified to the Central Bank. |
| <b>Initial Price</b>                | Approximately USD 20, plus an appropriate provision for Duties and Charges, or such other amount as determined by the Manager and communicated to investors prior to investment.                                       |
| <b>Creation Unit</b>                | 50,000 Shares or such other amount as may be determined by the Directors at their discretion.  |
| <b>Minimum Initial Subscription</b> | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Initial Subscription.  |
| <b>Minimum Holding</b>              | 1 Creation Unit unless the Directors determine otherwise. Investors will be notified of any change to the Minimum Holding.   |

## 11 CHARGES AND EXPENSES

The following fees and expenses will be incurred by the Company on behalf of the Fund and will affect the Net Asset Value of the relevant Class of Share of the Fund:

|                    |   |
|--------------------|---|
| <b>Share Class</b> | A   |
| <b>Total Fee</b>   | Up to 0.55% per annum or such lower amount as may be advised to Shareholders from time to time. |

The Total Fee, a percentage of the Net Asset Value of the relevant Class of Shares (plus VAT, if any), is payable by the Company out of the Fund Assets to the Manager. The Total Fee will accrue on each day and will be calculated on each Dealing Day and paid monthly in arrears. The Total Fee will cover all of the ordinary fees, operating costs and expenses payable by the Fund including fees and expenses paid to the Manager, all ordinary costs and expenses connected with the management and operating activities of the Fund, including investment management and advisory fees, Director's fees, registration, transfer agency, administration and custody fees, registrar fees, regulators and auditors and certain legal expenses of the Company. The Total Fee does not include extraordinary costs and expenses (including but not limited to transaction charges, stamp duty or other taxes on the investments of the Company including duty charges for portfolio re-balancing, withholding taxes, commissions and brokerage fees incurred with respect to the Company's investments, interest on any non-overdraft credit facility and charges incurred in negotiating, effecting or varying the terms of such facility, any commissions charged by intermediaries in relation to an investment in the Fund and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the Company all of which will be paid separately out of the assets of the Fund). The cost of establishing the Fund will be borne by the Manager.

This section entitled Charges and Expenses should be read in conjunction with the sections entitled General Charges and Expenses and Management Charges and Expenses in the Prospectus.

## **12 REGISTRATION FOR PUBLIC DISTRIBUTION AND LISTING**

Application is expected to be made to register the Fund for public distribution in various countries.

Application will be made to list the Shares on Euronext and other stock exchanges. Through the operation of such a secondary market, persons who are not Authorised Participants or not able or willing to subscribe for and redeem Creation Units will be able to buy Shares from or sell Shares to other retail investors or market makers, broker/dealers, or other Authorised Participants at prices which should approximate, after currency conversion, the Net Asset Value of the Shares.

## **13 HOW TO BUY AND SELL SHARES**

Investors can buy and sell Shares on the secondary market as described above in accordance with the procedures set out in the section entitled Secondary Market in the Prospectus.

Investors can otherwise subscribe for or redeem Creation Units in accordance with the procedures set out in the Prospectus.

## **14 SUSTAINABLE FINANCE DISCLOSURE**

The Manager has categorised the Fund as meeting the provisions set out in Article 6 of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector (“**SFDR**”) and does not follow a dedicated ESG investment strategy. The Fund does not have sustainable investment as its investment objective, nor does it promote environmental or social characteristics.

### **14.1 Sustainability Risks**

Sustainability risk is the risk that the value of an investment will decline as a result of an environmental, social or governance (ESG) event or circumstance. Ecological events include climate change, scarcity of natural resources and pollution. Social events may include labour issues and product liability. Governance can include themes such as shareholder rights, business ethics, diversity and executive remuneration. Sustainability risks can arise in all kinds of forms. With regard to the theme of climate, for example, there is a distinction between transition risks and physical risks, whereby transition risks can be divided into legal and regulatory risks, technological risks, market risks and reputation risks. In addition, the impact of sustainability risk has various scopes, including company-specific, sector-specific and on country level. The occurrence of a sustainability risk results in other (financial) risks manifesting. This can negatively affect the value of the investment.

Concrete examples of sustainability risks for the Fund are: a company has an overly generous remuneration policy or a remuneration policy that is inconsistent with the interests of the shareholders. Also, a company's reputation can deteriorate as a result of negative publicity about an environmental, social or labour issue that can cause the value of its stock to decline. The expected impact of sustainability risks on the return depends on the type of sustainability risk that materializes. For developed and emerging markets equity portfolios, this expected impact is generally viewed as significant.

### **14.2 Sustainability Risk Integration Features**

The Fund has a passive investment policy whereby the Fund aims to follow the Index as closely as possible. The Index has no specific sustainability characteristics. The Fund therefore does not have

any specific sustainability characteristics. In order to fulfil its responsibility as a responsible investor and as a signatory to the United Nations Principles for Responsible Investments, the Manager applies the following measures:

### **Exclusions**

Exclusions apply to this Fund as further outlined in section 2.2 of this Supplement and section 10 of the Prospectus.

### **Voting**

The Manager can exercise his voting rights at shareholders' meetings, according to the Proxy Voting Policy. To assist in its responsibility for voting proxies and the overall voting process, the Manager has engaged an independent third party proxy voting specialist, Glass Lewis Europe Limited, which takes also Environmental, Social and Governance factors into account when casting votes.

In particular, the Glass Lewis ESG voting policy is applied:

- On the Environmental side, within others, measures in favour of increased disclosure of a company's environmental risk through company-specific disclosure as well as compliance with international environmental conventions and adherence to environmental principles will be supported. Similarly, the ESG Policy will support proposals requesting companies develop greenhouse gas emissions reduction goals, comprehensive recycling. The ESG Policy will evaluate a company's impact on the environment, in addition to the regulatory risk a company may face by not adopting environmentally responsible policies. Further, the ESG Policy will consider voting against directors for not appropriately overseeing environmental risk.
- On the Social side, the ESG Policy will support several proposals, including but not limited to requesting that a company develop sustainable business practices, such as animal welfare policies, human rights policies, and fair lending policies. Furthermore, the ESG Policy will also generally support enhancing the rights of workers, as well as considering the communities and broader constituents in the areas in which companies do business.
- On the Governance side, the ESG Policy supports, within other aspects, increased shareholder participation and access to a company and its board of directors. Accordingly, the ESG Policy will vote in favour of initiatives that seek to enhance shareholder rights, such as the introduction of majority voting to elect directors, the adoption and amendment of proxy access bylaws, the elimination/reduction of supermajority provisions, the declassification of the board, the submission of shareholder rights' plans to a shareholder vote, and the principle of one share, one vote.

### **Engagement**

The Manager appointed a third-party engagement specialist, Glass Lewis Europe Limited, for the passive equity funds managed by VanEck Asset Management B.V. The engagement provider determines the engagement approach in accordance with its engagement policy and based on its engagements' priorities.

## **14.3 Taxonomy disclosure**

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

## **15** OTHER INFORMATION

New Funds may be created from time to time by the Directors with the prior approval of the Central Bank in which case further Supplements incorporating provisions relating to those Funds will be issued by the Company.

The names of the Funds currently approved by the Central Bank are listed in the Global Addendum.

## SCHEDULE 1

### DISCLAIMER

The Index is the exclusive property of MarketVector Indexes GmbH ("**MarketVector**"), a wholly owned subsidiary of the Manager, which has contracted with Solactive AG to maintain and calculate the Index. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards MarketVector, Solactive AG has no obligation to point out errors in the Index to third parties. The Fund is not sponsored, endorsed, sold or promoted by MarketVector and MarketVector makes no representation regarding the advisability of investing in the Fund. The Index is calculated weekdays between 01:00 and 22:40 (CET) and the Index values are disseminated to data vendors every 15 seconds on days when the US equity market is open for trading. The Index is disseminated in USD.

In accordance with Central Bank requirements, the Company and the Fund are required to provide details of the Index Provider's website to enable shareholders to obtain further details of the Index (including the Index constituents). The Company and the Fund have no responsibility for the Index Provider's website and are not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Index Provider's website or the contents thereof.

The indicative optimised portfolio value/intra-day portfolio value is calculated by S&P Global Ltd

## VanEck UCITS ETFs plc

### Global Addendum dated 19 September 2025

This Global Addendum contains a list of all existing sub-funds of VanEck UCITS ETFs plc (the “**Company**”), a company incorporated with limited liability as an open-ended investment company with variable capital under the laws of Ireland with registered number 548554. The Company is structured as an umbrella fund with segregated liability between sub-funds and is authorised by the Central Bank of Ireland (the “**Central Bank**”) pursuant to the Regulations.

**This Global Addendum forms part of, may not be distributed unless accompanied by (other than to prior recipients of the Prospectus of the Company dated 20 December 2024, as may be amended, supplemented or modified from time to time), and should be read in conjunction with the Prospectus for the Company.**

The Directors of the Company whose names appear in the section titled **Directors of the Company** in the Prospectus accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Global Addendum.

#### **Current Funds**

As at the date of this Global Addendum, the Funds of the Company currently approved by the Central Bank are as follows:

1. VanEck Gold Miners UCITS ETF;
2. VanEck Junior Gold Miners UCITS ETF;
3. VanEck Morningstar US ESG Wide Moat UCITS ETF;
4. VanEck J.P. Morgan EM Local Currency Bond UCITS ETF;
5. VanEck Emerging Markets High Yield Bond UCITS ETF;
6. VanEck Global Fallen Angel High Yield Bond UCITS ETF;
7. VanEck S&P Global Mining UCITS ETF;
8. VanEck Video Gaming and eSports UCITS ETF;
9. VanEck Morningstar Global Wide Moat UCITS ETF;
10. VanEck Semiconductor UCITS ETF;
11. VanEck Hydrogen Economy UCITS ETF;
12. VanEck Crypto and Blockchain Innovators UCITS ETF;

13. VanEck Rare Earth and Strategic Metals UCITS ETF;
14. VanEck New China UCITS ETF;
15. VanEck Smart Home Active UCITS ETF\*;
16. VanEck Space Innovators UCITS ETF;
17. VanEck Sustainable Future of Food UCITS ETF;
18. VanEck Genomics and Healthcare Innovators UCITS ETF;
19. VanEck Medical Robotics and Bionic Engineering UCITS ETF;
20. VanEck Circular Economy UCITS ETF;
21. VanEck Uranium and Nuclear Technologies UCITS ETF;
22. VanEck Oil Services UCITS ETF;
23. VanEck Defense UCITS ETF;
24. VanEck US Fallen Angel High Yield Bond UCITS ETF;
25. VanEck Morningstar US Wide Moat UCITS ETF;
26. VanEck Morningstar US SMID Moat UCITS ETF; and
27. VanEck Quantum Computing UCITS ETF.

*\*Sub-fund is now closed to all further subscriptions pending a formal application being made to the Central Bank for withdrawal of its regulatory approval.*

New Funds may be created from time to time by the Directors with the prior approval of the Central Bank in which case further Supplements incorporating provisions relating to those Funds will be issued by the Company.

## 16 ADDITIONAL INFORMATION FOR INVESTORS IN AUSTRIA

This Country Supplement forms part of, and is to be read in conjunction with the Prospectus of VanEck UCITS ETFs plc (the “Company”), dated 20 December 2024 as may be amended and supplemented from time to time.

For the following sub-funds, no notification of distribution in Austria has been made to the Austrian Financial Market Authority (FMA), so that units of these sub-funds may not be distributed to investors: N/A.

### **Facility in Austria**

Facility in Austria according to EU directive 2019/1160 article 92:

Erste Bank der oesterreichischen Sparkassen AG

Am Belvedere 1,

A-1100 Vienna/Austria

E-Mail: [foreignfunds0540@erstebank.at](mailto:foreignfunds0540@erstebank.at)

### **Documents**

The Sales Prospectus, the Key Information Documents (KIDs), the Fund's Rules, the annual and semi-annual reports, the issue, redemption and conversion prices of the Sub-Funds' units and any notices to investors in the Republic of Austria may be obtained free of charge in paper form from the Facilities Agent.

### **Price publications and announcements to investors**

The issue and redemption prices are published on the following website:

[www.vaneck.com](http://www.vaneck.com).

Any notifications to investors in the Republic of Austria will be sent by post to the investor's address entered in the register of shareholders and will be published on [www.vaneck.com](http://www.vaneck.com).

Dated 22 September 2025