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26 July 2016

ASX Limited  
Market Announcements Office

**AUSTRALIAN EQUITIES ETFS PRODUCT DISCLOSURE STATEMENT ("PDS") – REPLACEMENT PDS**  
[FOR RELEASE UNDER EACH ASX CODE LISTED BELOW]

Enclosed is a copy of the 'VanEck Australian Equities ETFs Product Disclosure Statement' dated 26 July 2016 which has been lodged with the Australian Securities & Investments Commission relating to the following VanEck exchange traded funds ("ETFs"):

ASX code	ETF
FDIV	VanEck Vectors S&P/ASX Franked Dividend ETF
MVA	VanEck Vectors Australian Property ETF
MVB	VanEck Vectors Australian Banks ETF
MVE	VanEck Vectors S&P/ASX MidCap ETF
MVR	VanEck Vectors Australian Resources ETF
MVS	VanEck Vectors Small Cap Dividend Payers ETF
MVW	VanEck Vectors Australian Equal Weight ETF

The PDS replaces the following four PDSs previously issued by VanEck:

- (1) Market Vectors Australian Sector ETFs PDS dated 25 September 2013;
- (2) Market Vectors Australian Equal Weight ETF PDS dated 18 February 2014;
- (3) Market Vectors Small Cap Dividend Payers ETF PDS dated 6 May 2015; and
- (4) VanEck Vectors S&P/ASX Franked Dividend ETF PDS dated 8 April 2016.

**For more information:**

- Call 1300 68 38 37
- Go to [vaneck.com.au](http://vaneck.com.au)

**IMPORTANT NOTICE:** Issued by VanEck Investments Limited ABN 22 146 596 116 AFSL 416755 ('VanEck'). Before making an investment decision in relation to a VanEck ETF, you should read the relevant PDS and with the assistance of a financial adviser consider if it is appropriate for your circumstances. PDSs are available at [www.vaneck.com.au](http://www.vaneck.com.au) or by calling 1300 68 38 37. VanEck is the responsible entity of the Australian domiciled VanEck ETFs which trade on ASX under the codes FDIV, IFRA, MVA, MVB, MVE, MVR, MVS, MVW and QUAL. No member of the VanEck group of companies gives any guarantee or assurance as to the repayment of capital, the performance, or any particular rate of return of any VanEck ETF. Past performance is not a reliable indicator of future performance.



Access the opportunities.

## VanEck Australian Equities ETFs

ASX code	Fund name	ARSN	iNAV code
FDIV	VanEck Vectors S&P/ASX Franked Dividend ETF	611 368 499	YFDI
MVA	VanEck Vectors Australian Property ETF	165 151 771	YMVA
MVB	VanEck Vectors Australian Banks ETF	165 150 854	YMBV
MVE	VanEck Vectors S&P/ASX MidCap ETF	165 153 944	YMVE
MVR	VanEck Vectors Australian Resources ETF	165 153 695	YMVR
MVS	VanEck Vectors Small Cap Dividend Payers ETF	605 328 087	YMVS
MVW	VanEck Vectors Australian Equal Weight ETF	167 523 211	YMWV

## Product Disclosure Statement

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

Dated: 26 July 2016

## IMPORTANT INFORMATION BEFORE YOU START

This product disclosure statement ('PDS') is issued by VanEck Investments Limited ABN 22 146 596 116 AFSL No 416755 as responsible entity of the VanEck Australian Equities ETFs named on the front cover and throughout this PDS (collectively 'the Funds' and individually 'a Fund'). Each Fund is a registered managed investment scheme. A class of units of each Fund ('ETF Units') is admitted to quotation and trading as an Exchange Traded Fund ('ETF') on the Australian Securities Exchange ('ASX').

References in this PDS to 'VanEck', 'us', 'we', 'our' or 'Responsible Entity' are a reference to VanEck Investments Limited in its capacity as Responsible Entity of the Funds.

Capitalised terms (Like This) used in this PDS are defined in the 'Glossary of terms' on pages 40 to 43.

A copy of this PDS has been lodged with the Australian Securities and Investments Commission (ASIC) and ASX. Neither ASIC nor ASX take any responsibility for the contents of this PDS.

### Authorised Participants

The offer of ETF Units in this PDS is only for ASX "Trading Participants" (as that term is defined in the ASX Operating Rules) who have entered into an agreement with VanEck (Authorised Participants or APs) and who are Australian residents and have received this PDS in Australia (electronically or otherwise).

### ASX Investors

Other investors may purchase ETF Units on ASX, like purchasing shares ('ASX Investors'), and may use this PDS for information purposes only. ASX Investors may buy and sell ETF Units on ASX through their online broker, stockbroker or financial adviser ('Broker') and are not required (or eligible) to complete an Application Form under this PDS.

### Classes of units

The ETF Units referred to in this PDS are an ETF class of units in each Fund respectively. As such it is only the ETF class of the Funds that is quoted on ASX (see section 3 for further details). As at the date of this PDS, each Fund only has a single class of units, being the ETF class. Under each Fund's constitution ('Constitution'), VanEck is permitted to establish different classes of units and may do so in the future.

### Up to date information

All information in this PDS is current as at the date of this PDS. Unless otherwise stated, VanEck sources its data from public or licensed market data. Information and the terms in this PDS are subject to change from time to time. We may publish changes that are not materially adverse to investors at [www.vaneck.com.au](http://www.vaneck.com.au). If a change is considered materially adverse we will issue a supplementary or replacement PDS.

A paper copy of this PDS and any updated information will be provided free of charge on request by contacting us at 1300 68 38 37.

### Disclaimers

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

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

### Foreign Investors

This PDS does not constitute an offer or invitation in any jurisdiction other than in Australia. Persons who are not Australian residents ('Foreign Investors') are not eligible to submit an Application Form directly to us, however, Foreign Investors may transact in the Funds on ASX including via their stockbroker or their financial adviser in the same way as they trade other ASX listed or quoted securities. For the avoidance of doubt, ETF Units are not intended to be sold to United States ('US') Persons as defined under Regulation S of the US federal securities laws. This PDS does not constitute an offer or recommendation of securities in any jurisdiction outside Australia, or to any person to whom it would be unlawful to make such an offer.

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# Section 1

## About VanEck

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### 1.1 VanEck Investments Limited

#### - the Responsible Entity

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

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

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

### 1.2 VanEck ETFs

VanEck's exchange traded products ('ETPs') have been offered in the US since 2006 and span many asset classes including equities, fixed income (municipal and global bonds) and currency markets.

As at 30 June 2016 VanEck's family of ETPs totalled US\$28 billion in assets under management, making it one of the largest ETP families worldwide.

### 1.3 Founded in 1955

Founded in 1955, VanEck Associates was among the first US money managers helping investors achieve greater diversification through global investing.

Today we are recognised for being a pioneer in global markets and for drawing on our experience to offer innovative solutions. We offer these solutions to individual investors and institutions, including endowments, foundations, pension plans and private banks.

Headquartered in New York, VanEck has offices in Australia, China, Germany, Ireland, Spain and Switzerland and as at 30 June 2016, managed US\$36 billion in investor assets including its VanEck's ETP business.

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

## Section 2

# Summary of the Funds

VanEck Australian Equities Funds			For more information		
<b>Responsible Entity</b>	VanEck Investments Limited, a Sydney based investment manager who specialises in issuing and operating ETFs.		Section 1		
<b>Type of investment: Index tracking exchange traded fund (ETF)</b>	<p>An index tracking ETF is an open-ended fund that aims to track the performance (before costs) of a financial market index by investing in a portfolio of securities that constitute the index.</p> <p>Units in an ETF are generally quoted and available for trading on ASX. As such, an ETF gives investors simple and cost effective exposure to the entire portfolio of securities held by the ETF via a single trade on ASX.</p>		Sections 4, 5 and 8		
<b>Investment objective</b>	Each Fund aims to provide investment returns (before management costs) that closely track the returns of its Reference Index.		Section 8		
<b>Reference Index</b>	<b>Fund</b>	<b>Reference Index</b>	<b>Bloomberg index ticker</b>	Sections 6 and 7	
	<b>FDIV</b>	S&P/ASX Franked Dividend Index			SPAXFDAT
	<b>MVA</b>	MVIS Australia A-REITs Index			MVMVATRG
	<b>MVB</b>	MVIS Australia Banks Index			MVMVBTRG
	<b>MVE</b>	S&P/ASX Midcap 50 Index			ASA34
	<b>MVR</b>	MVIS Australia Energy & Mining Index			MVMVRTRG
	<b>MVS</b>	MVIS Australia Small-Cap Dividend Payers Index			MVMVSTRG
	<b>MVW</b>	MVIS Australia Equal Weight Index			MVMVWTRG
<b>Investment purpose</b>	<b>Fund</b>	<b>Purpose</b>	Sections 6 and 7		
	<b>FDIV</b>	The Fund gives investors access to a diversified portfolio of 30 listed companies within the S&P/ASX 200 that have paid out 100% franked dividends in the past two years and that have sustainable dividend policies.			
	<b>MVA</b>	The Fund is designed to capture the performance of the property sector of the Australian economy. Investors access a portfolio of the largest and most liquid Australian Real Estate Investment Trusts (A-REITs) securities including industrial, commercial, retail and residential property segments.			
	<b>MVB</b>	The Fund is designed to capture the performance of the banking sector of the Australian economy. Investors access a portfolio of the largest and most liquid ASX-listed banks that generate revenues from the Australian banking sector.			
	<b>MVE</b>	The Fund is designed to capture the performance of the 50 midcap companies listed on ASX having Market Capitalisation ranking from 51 to 100.			
	<b>MVR</b>	The Fund is designed to capture the performance of the resources sector of the Australian economy. Investors access a portfolio that only includes the largest and most liquid ASX-listed companies that generate revenues from the Australian resources sector, including, for example, mining services and transport companies.			

	<b>MVS</b>	The Fund gives investors exposure to a portfolio that only includes the most liquid small cap ASX-listed companies that did not omit their latest dividend payment and that generate revenues in Australia.	
	<b>MVW</b>	The Fund gives investors access to a portfolio of the largest and most liquid ASX-listed companies all equally weighted with diversification across both securities and sectors.	
<b>Investment strategy</b>	Each Fund employs a passive management strategy of physically replicating its Reference Index by investing directly in the securities that comprise the relevant Reference Index.		Section 8
<b>Benefits</b>	Compared to unlisted actively managed funds, investors benefit from: live trading via market prices on ASX; potentially lower costs and tax liability; liquidity; transparency and intraday trading.		Section 4
<b>Risks</b>	An investment in a Fund is subject to various risks including a possible lack of income distributions and loss of capital invested. You should carefully consider the risks before deciding to invest in a Fund.		Section 9
<b>Investing in the Funds</b>			
<b>All investors</b>			
<b>Unit Price or 'NAV'</b>	The Unit Price or NAV of a Fund is calculated as the Fund Net Asset Value divided by the number of ETF Units on issue. It is calculated daily based on ASX closing prices of the securities in that Fund's portfolio for that day.		Section 11
<b>Authorised Participants</b>			
<b>Transacting under this PDS</b>	Authorised Participants must be Australian residents and must complete the Application Form for a creation or redemption of ETF Units.		Section 11
<b>Minimum transaction size</b>	Unless otherwise agreed in advance by VanEck, the minimum number of ETF Units for a creation (one Creation Unit) and a redemption (one Redemption Unit) are as follows:		
	<b>Fund</b>	<b>Creation Unit/Redemption Unit (ETF Units)</b>	
	<b>FDIV</b>	80,000	
	<b>MVA</b>	70,000	
	<b>MVB</b>	40,000	
	<b>MVE</b>	300,000	
	<b>MVR</b>	50,000	
	<b>MVS</b>	120,000	
<b>MVW</b>	50,000		
<b>Creations</b>	<p>ETF Units can only be created in multiples of Creation Units for a Fund, unless we agree otherwise.</p> <p>Payment for a creation must generally be made by the Authorised Participant in the form of a specified parcel of quoted securities (<b>Standard Basket</b>) transferred through CHESS plus or minus a residual cash amount (<b>Standard Basket Transaction</b>).</p> <p>If agreed by us, payment may also be made by: (i) cash, or (ii) a combination of securities and cash (<b>Non-Standard Transaction</b>).</p>		
<b>Redemptions</b>	<p>ETF Units can only be redeemed in multiples of Redemption Units, unless agreed otherwise.</p> <p>Payment of redemption proceeds will primarily be in the form of a Standard Basket Transaction. If agreed by us, the redemption proceeds may also be paid by a Non-Standard Transaction.</p>		
<b>Price for Authorised Participants</b>	Authorised Participants transact with VanEck for creations or redemptions of ETF Units at the relevant Fund's NAV calculated		

	following the close of trading for that day, plus or minus contribution or withdrawal fees respectively.		
<b>ASX Investors</b>			
<b>Buying/selling ETF Units on ASX</b>	ASX Investors may buy and sell ETF Units in the Funds on ASX through their Broker just like trading shares in listed companies. A Market Maker is engaged to facilitate liquidity for trading in ETF Units on ASX. There is no minimum trade size on ASX.		Sections 3 and 4
<b>ASX prices</b>	ASX Investors trade ETF Units at market prices quoted on ASX throughout each ASX Trading Day. The presence of a Market Maker means market prices should remain close to the NAV, adjusted for changes in value of the underlying securities during the ASX Trading Day.		Section 5
<b>Cooling-off</b>	There are no cooling-off rights applicable to the offers in this PDS.		
<b>Fees and costs</b>			
<b>All investors</b>		<b>APs also pay (ASX Investors do not pay these fees)</b>	Section 10
<b>Fund</b>	<b>Management costs (% p.a.)</b>	<b>Contribution fees and withdrawal fees (excluding GST) per transaction</b>	
FDIV	0.35	\$600	
MVA	0.35	\$400	
MVB	0.28	\$250	
MVE	0.45	\$900	
MVR	0.35	\$800	
MVS	0.49	\$1,650	
MVW	0.35	\$1,700	
	Management costs may be negotiated by wholesale clients. Contribution and withdrawal fees may change without notice.		
<b>Distributions</b>			
<b>Frequency</b>	<b>Fund</b>	<b>Distribution frequency</b>	Section 12
	FDIV	Generally four times a year	
	MVA	Generally twice a year	
	MVB	Generally twice a year	
	MVE	Generally twice a year	
	MVR	Generally once a year	
	MVS	Generally twice a year	
	MVW	Generally twice a year	
<b>Reinvestment Plan</b>	A Distribution Reinvestment Plan ( <b>DRP</b> ) is available subject to the <b>DRP</b> Rules. Distributions will be paid as cash to your nominated bank account unless you contact the Registrar and elect to have distributions reinvested. Your distributions will then appear as additional ETF Units in your account.		

Additional information		
<b>Website</b>	<p>The following information is available for each Fund at <a href="http://www.vaneck.com.au">www.vaneck.com.au</a></p> <ul style="list-style-type: none"> <li>▪ Fund Net Asset Value;</li> <li>▪ Unit Price;</li> <li>▪ Standard Basket for creations or redemptions;</li> <li>▪ portfolio holdings;</li> <li>▪ number of ETF Units outstanding;</li> <li>▪ the current PDS, any supplementary PDS and notice of any changes that are not materially adverse to investors;</li> <li>▪ DRP Rules;</li> <li>▪ Unit Pricing Policy;</li> <li>▪ information about any distributions;</li> <li>▪ any announcements lodged with the ASX Market Announcements Platform (including continuous disclosure notices and any other disclosure that is made available or provided to Unitholders); and</li> <li>▪ annual reports and half-year reports (including financial statements).</li> </ul>	
<b>Statements</b>	<p>The following statements will be provided to investors:</p> <ul style="list-style-type: none"> <li>▪ holding statement – for any transactions made during the month;</li> <li>▪ annual tax statement – after 30 June each year;</li> <li>▪ distribution advice – each time a distribution is made; and</li> <li>▪ periodic statement showing your transactions and investments in a Fund – sent annually and following your exit from a Fund.</li> </ul>	

# Section 3

## The AQUA Rules

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### 3.1 The AQUA Rules

ETF Units in the Funds are admitted to trading on ASX under the AQUA Rules. The AQUA Rules are a subset of the ASX Operating Rules that provide a tailored framework for the quotation of managed funds, ETFs and structured products on ASX, providing issuers with access to ASX back office clearing and settlement services.

The only products that can be admitted to trading under the AQUA Rules are those where the product has a capital value or distributions linked to liquid underlying instruments with robust and transparent pricing mechanisms.

Under the AQUA Rules, ASX may require the issuer to facilitate liquidity in the ETF Units by way of the appointment of a 'Market Maker' whose role generally is to act as a seller and buyer to match demand from purchasers and sellers of ETF Units on ASX in certain circumstances and subject to certain conditions.

As a result, each Fund is expected to remain liquid. For more information see section 5 '*How the Funds work*'.

### 3.2 AQUA product issuer has no influence or control over the value of the underlying asset

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

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

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

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

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

ASX Listing Rules	AQUA Rules
<b>Continuous disclosure</b>	
Issuers are subject to the continuous disclosure requirements under Listing Rule 3.1 and section 674 of the <i>Corporations Act</i> .	AQUA product issuers are not subject to the continuous disclosure requirements under Listing Rule 3.1 and section 674 of the <i>Corporations Act</i> (because the underlying instruments are) but must disclose via the ASX Market Announcements Platform: <ul style="list-style-type: none"> <li>▪ ETF Units outstanding on a monthly basis;</li> <li>▪ dividends, distributions and other disbursements;</li> <li>▪ information the non-disclosure of which may lead to the establishment of a false market in its products or would materially affect the price of its products; and</li> <li>▪ any other information that is required to be disclosed to ASIC under section 675 of the <i>Corporations Act</i> must be disclosed to ASX at the same time it is disclosed to ASIC.</li> </ul>
<b>Periodic disclosure</b>	
Issuers are required to disclose their half-yearly and annual financial information or annual reports to ASX under Chapter 4 of the Listing Rules	AQUA product issuers are currently not required to disclose their half-yearly and annual financial information or annual reports to ASX, however, as the Responsible Entity of the Funds which are registered managed investment scheme products, we are still required to lodge with ASIC and disclose to ASX at the same time, financial reports required under Chapter 2M of the <i>Corporations Act</i> .
<b>Corporate control</b>	
Requirements in the <i>Corporations Act</i> and the Listing Rules in relation to matters such as takeover bids, share buy-backs, change of capital, new issues, restricted securities, disclosure of directors' interests and substantial shareholdings, apply to companies and listed schemes.	These requirements do not apply to AQUA product issuers. Section 601FM of the <i>Corporations Act</i> continues to apply to the removal or change of the responsible entity. An extraordinary resolution would be required to change the Responsible Entity. An extraordinary resolution is a resolution supported by a majority of the total votes that may be cast by a Fund's members entitled to vote on the resolution.
<b>Related party transactions</b>	
Chapter 10 of the Listing Rules, which relates to transactions between an entity and persons in a position to influence the entity, specifies controls over related party transactions.	Chapter 10 of the Listing Rules does not apply to AQUA products. Products quoted under the AQUA Rules which are registered managed investment schemes remain subject to the related party requirements in Part 5C.7 and Chapter 2E of the <i>Corporations Act</i> .
<b>Auditor rotation obligations</b>	
There are specific requirements in relation to auditor rotation under Part 2M.4 Division 5 of the <i>Corporations Act</i> .	These requirements do not apply to AQUA product issuers. Responsible entities of registered managed investment schemes will continue to be required to undertake an independent audit of their compliance with each scheme's compliance plan in accordance with section 601HG of the <i>Corporations Act</i> and the auditor must not be the auditor of the scheme's financial statements (but may be from the same firm).
<b>Disclosure documentation</b>	
Entities admitted under the Listing Rules are subject to the requirements of the <i>Corporations Act</i> in relation to the issue of a prospectus or PDS.	Products admitted to trading under the AQUA Rules will also be subject to these requirements of the <i>Corporations Act</i> .

Source: ASX Rules Framework

# Section 4

## Benefits of the Funds

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### 4.1 Exchange Traded Funds

Each Fund is an exchange traded fund or 'ETF' that is a passively managed fund, interests (ETF Units) in which are admitted to trading on ASX.

Being passively managed means the Funds aim to track the performance of its Reference Index (before costs) by investing in the securities that make up the Reference Index.

Each Fund offers potential advantages to investors, including low costs, diversification, and transparency of holdings. Investors also benefit from simple trading and intraday pricing on ASX. This means you can buy and sell ETF Units the same way you buy and sell shares but when you buy units in an ETF you get exposure to multiple securities in a single trade, saving you time and money.

### 4.3 Lower costs

Since the Funds track an index, they are typically able to achieve lower operating costs. As a result the Funds charge management costs which are generally lower than those of equivalent unlisted actively managed funds.

As is the case when trading shares, brokerage or adviser fees may also apply when buying or selling ETF Units. (See section 10 for more information).

### 4.4 Diversification with a single ASX trade

The Funds provide you with a simple way to access a diversified portfolio of listed Australian equities via a single trade on ASX.

### 4.5 Liquidity

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

### 4.6 Flexibility

As the ETF Units are quoted on ASX, you have the flexibility to trade in each Fund throughout the day, like trading shares, you can even buy and sell on the same day (intraday trading).

### 4.7 Transparency of holdings

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

### 4.8 Trading and intraday pricing on ASX

Being quoted on ASX means ETF Units are traded at market prices which are continuously quoted throughout each ASX Trading Day.

The iNAV (indicative Unit Price) for each Fund is also available and is updated generally every 30 seconds but no less than every 15 minutes throughout each ASX Trading Day.

The iNAV enables you to see indicative changes in the Unit Price throughout the day and to trade the ETF Units with a much greater degree of certainty of pricing compared to unlisted managed funds which typically only calculate and publish a single unit price on the following day, based on the NAV at the close of trading the previous day.

The iNAV for each Fund is available from third party broker websites by entering the following iNAV codes. For more information see sections 9.2.8 and 14.14.

Fund	iNAV code
FDIV	YFDI
MVA	YMVA
MVB	YMBV
MVE	YMVE
MVR	YMVR
MVS	YMVS
MVW	YMWV

### 4.9 Taxation advantages

As the Funds invest in Australian securities you will receive the benefits of franking credits.

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

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

For more information on taxation, see section 13.

# Section 5

## How the Funds work

### 5.1 Registered managed investment scheme

Each Fund is a registered managed investment scheme registered with ASIC. ETF Units in the scheme are admitted to trading on ASX.

The Funds operate like most other managed investment schemes. Your money is pooled together with other investors' money to buy investments which are managed on behalf of all investors. When you invest via a Fund, you access investments, skills and knowledge that you may not have access to, if you invest on your own.

Each Fund is constituted as a 'unit trust'. When you invest in a Fund you acquire a beneficial 'interest' in that Fund in the form of ETF Units.

### 5.2 Primary and secondary markets

Large numbers of ETF Units are first issued by VanEck to institutional investors in the 'primary market' (Authorised Participants) in exchange for a specified parcel of ASX listed securities determined in accordance with a Fund's investment strategy or, if agreed by us, cash or a combination of securities and cash. The securities become the assets of the Fund designed to meet that Fund's investment objective.

Once ETF Units have been received by the Authorised Participant (in exchange for securities or cash or a combination of both), the ETF Units are

made available for trading on the 'secondary market', in this case, ASX. ASX Investors can then buy and sell the ETF Units with the Authorised Participant, the Market Maker, or other ASX Investors in exchange for cash through CHESSE.

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

### 5.3 Rights of a Unitholder

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

### 5.4 Roles and responsibilities

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

Role	Responsibility
<b>Responsible Entity</b>	Issues the ETF Units and this PDS and is responsible for operating the Funds.
<b>Investment manager</b>	Manages the investment portfolio of the Fund in line with each Fund's investment strategy. At the date of this PDS, the investment manager is VanEck.
<b>Custodian</b>	Holds the assets of each Fund for safe-keeping on behalf of the Responsible Entity and Unitholders.
<b>Fund Administrator</b>	Processes creations, redemptions and other requests from Unitholders and maintains the books and records of the Funds, including: fund accounting; calculating Unit Prices; distributions and taxation.
<b>Index Provider</b>	Develops and maintains the Reference Index that a Fund aims to track.
<b>Registrar</b>	Maintains the register of Unitholders including: quantity of securities held, tax file numbers and DRP details; and issues all correspondence to Unitholders on behalf of the Responsible Entity.
<b>Authorised Participants</b>	Transact directly with the Responsible Entity to create (or redeem) ETF Units (primary market) and then quote the ETF Units on ASX for sale to other investors via ASX (secondary market).
<b>Market Maker</b>	Subject to certain conditions, provides liquidity in the Funds on ASX by acting as a buyer and a seller on ASX throughout the ASX Trading Day.
<b>Proxy voting agent</b>	Specialist provider engaged on behalf of the Responsible Entity to conduct in-depth research, issuer analysis and voting recommendations with the best interests of investors in mind, as well as vote execution, reporting and recordkeeping.

# Section 6

## Reference Indices – MVIS Indices

### 6.1 MVIS Reference Indices

The Funds listed below aim to closely track a MV Index Solutions ('MVIS') index which has been purpose-built for each Fund. MVIS is a member of the VanEck group of companies based in Frankfurt, Germany. The Reference Index relevant to each Fund is set out in the following table:

ASX Code	Fund name	Reference Index	Bloomberg index ticker
MVA	VanEck Vectors Australian Property ETF	MVIS Australia A-REITs Index	MVMVATRG
MVB	VanEck Vectors Australian Banks ETF	MVIS Australia Banks Index	MVMVBTRG
MVR	VanEck Vectors Australian Resources ETF	MVIS Australia Energy & Mining Index	MVMVRTRG
MVS	VanEck Vectors Small Cap Dividend Payers ETF	MVIS Australia Small-Cap Dividend Payers Index	MVMVSTRG
MVW	VanEck Vectors Australian Equal Weight ETF	MVIS Australia Equal Weight Index	MVMVWTRG

### 6.2 MVIS index construction methodology

MVIS uses a rules-based methodology to determine the *Investable Index Universe* of each Reference Index. The rules focus on (1) themes and (2) investability (including liquidity).

There are four key steps involved in constructing each Reference Index:

1. Define the Index Universe;
2. Apply Investability Criteria to determine the Investable Index Universe;
3. Determine the Reference Index constituents;
4. Weighting the constituents.

#### 6.2.1 Index Universe

To be included in the Index Universe for a Reference Index a security must meet the following criteria:

- have a full Market Capitalisation exceeding USD50 million; and
- be a local company incorporated in Australia with an ASX listing or be an offshore company incorporated outside of Australia with an ASX

listing and generate at least 50% of their revenues or, where applicable, have at least 50% of their assets in Australia. For existing components in the Reference Index this threshold is reduced to 25% of revenues or assets in Australia.

Additionally, to be included in the Index Universe for the MVS Reference Index, a security must also satisfy the requirement that it did not omit its last dividend payment.

#### 6.2.2 Investability criteria

When MVIS develops and maintains indices, their key focus is on investability. Stringent rules are applied when screening potential Reference Index components in respect of liquidity. Reviews are carried out every 3 months.

On a review, each Reference Index component is assessed based on the following Investability Criteria (depending on whether the component is an existing component of the Reference Index or is being assessed as a new component for inclusion in the Reference Index):

Investability Criteria	Existing components	New components
Market Capitalisation (total):	> US\$75 million; <b>AND</b>	> US\$150 million;
3-month average-daily-trading volume:	At least US\$200,000 in at least two of the last three quarters (including the current review); <b>AND EITHER:</b> at least US\$600,000 at the current review or at one of the previous two reviews;	<b>PLUS:</b> at least US\$1 million at this review and also at the previous two reviews;
Shares traded per month over the last 6 months:	<b>OR:</b> at least 200,000 at the current review or at one of the previous two reviews.	<b>AND:</b> at least 250,000 at this review and also at the previous two reviews.

Existing components that fail to meet the above Investability Criteria will be excluded from a Reference Index. New components must meet the above criteria before they are included in the Reference Index.

### 6.2.3 Index constituents

Determining the Reference Index constituents involves the following steps

1. With the exception of the MVS Reference Index, all securities in the Investable Index Universe are sorted by their Free-float Market Capitalisation in descending order. For the

MVS Reference Index only local listed Australian companies are sorted by their full Market Capitalisation in descending order;

2. A review procedure is applied until a Target Coverage criteria is satisfied.

The following table sets out the inclusion criteria and review procedure for each Reference Index.

<i>Reference Index</i>	<i>Target Coverage</i>	<i>Min</i>	<i>Review procedure*</i>
<i>MVIS Australia A-REITs Index</i>	At least 90% of the Free-float Market Capitalisation of the Investable Index Universe	10	<ol style="list-style-type: none"> <li>1. Stocks covering the top 85% of the Free-float Market Capitalisation of the Investable Index Universe qualify for selection.</li> <li>2. Existing components between the 85th and 98th percentiles also qualify for the Reference Index.</li> <li>3. If the coverage is still below 90% or the number in the Reference Index is still below 10 companies, the largest remaining stocks will be selected until coverage of at least 90% is reached and the number of stocks equals 10.</li> </ol>
<i>MVIS Australia Banks Index</i>	At least 90% of the Free-float Market Capitalisation of the Investable Index Universe	7	<ol style="list-style-type: none"> <li>1. Stocks covering the top 85% of the Free-float Market Capitalisation of the Investable Index Universe qualify for selection.</li> <li>2. Existing components between the 85th and 98th percentiles also qualify for the Reference Index.</li> <li>3. If the coverage is still below 90% or the number in the Reference Index is still below 7 companies, the largest remaining stocks will be selected until coverage of at least 90% is reached and the number of stocks equals 7.</li> </ol>
<i>MVIS Australia Energy &amp; Mining Index</i>	At least 90% of the Free-float Market Capitalisation of the Investable Index Universe	25	<ol style="list-style-type: none"> <li>1. Stocks covering the top 85% of the Free-float Market Capitalisation of the Investable Index Universe qualify for selection.</li> <li>2. Existing components between the 85th and 98th percentiles also qualify for the Reference Index.</li> <li>3. If the coverage is still below 90% or the number in the Reference Index is still below 25 companies, the largest remaining stocks will be selected until coverage of at least 90% is reached and the number of stocks equals 25.</li> </ol>
<i>MVIS Australia Small-Cap Dividend Payers Index</i>	100% of the Free-float Market Capitalisation of the Investable Index Universe	25	<ol style="list-style-type: none"> <li>1. Companies covering the top 90% of the full Market Capitalisation (based on local listed Australian companies) are excluded. Securities which are between 90% and 98% of the Investable Index Universe qualify for selection;</li> <li>2. Existing components that rank between 85% and 90% or 98% and 99% will also qualify for continued selection for the Reference Index if they did not omit their latest dividend.</li> <li>3. Offshore listed companies are then considered based on the company sizes determined in paragraphs 1 and 2 above.</li> </ol>
<i>MVIS Australia Equal Weight index</i>	At least 90% of the Free-float Market Capitalisation of the Investable Index Universe	25	<ol style="list-style-type: none"> <li>1. Securities covering the top 85% of the Free-float Market Capitalisation of the Investable Index Universe qualify for selection.</li> <li>2. Existing components between the 85<sup>th</sup> and 98<sup>th</sup> percentiles also qualify for inclusion in the Reference Index.</li> <li>3. If the coverage is still below 90% or the number of securities in the Reference Index is still below 25, then the largest remaining securities are selected until coverage of at least 90% is reached and the number of securities equals at least 25.</li> <li>4. Companies which are removed from the MVIS Australia Small-Cap Index (MVIDD) at the review because they are too big and no longer considered small-caps will be added to the Reference Index at the same review if they meet all Investability Criteria for existing components in the Reference Index.</li> </ol>

\* The constituents of each Reference Index are subject to the **Index Universe** and **Investability Criteria** set out in 6.2.1 and 6.2.2. For each Reference Index if the number of eligible companies is below the minimum, additional companies will be added at the discretion of MVIS until the minimum number of stocks is met.

## 6.2.4 Weighting the constituents

### 6.2.4.1 Diversification - capping factors

MVIS uses capping factors to ensure a well-balanced and diversified exposure. This prevents large companies from dominating the Reference Index. MVIS uses a capping factor model that on one hand prevents the overweighting and on the other hand still reflects the actual size of a company in relation to all Reference Index components.

The following table shows the capping regime applied for all the Reference Indices except for the MVIS Australia Equal Weight Index which is discussed below in 6.2.4.2.

Reference Index	Maximum weight
MVIS Australia A-REITs Index	10%
MVIS Australia Banks Index	20%
MVIS Australia Energy & Mining Index	8%*
MVIS Australia Small-Cap Dividend Payers Index	8%*

\* 8% capping factors are staggered from a maximum weight of 8% down to 4.5%. The following table demonstrates how the capping regime operates by comparing the top 10 components of the MVIS Australia Energy & Mining Index on a capped and uncapped basis.

**Example of 8% capping factor** (based on the quarterly review conducted in June 2016).

Component	Capped	Uncapped
1. BHP Billiton Ltd	8.00%	31.33%
2. Rio Tinto Ltd	8.00%	9.57%
3. Woodside Petroleum Ltd	7.00%	8.98%
4. AGL Energy Ltd	6.50%	6.05%
5. Newcrest Mining Ltd	6.00%	5.38%
6. Origin Energy Ltd	5.50%	5.21%
7. APA Group Ltd	5.00%	4.25%
8. South32 Ltd	4.50%	4.00%
9. Aurizon Holdings Ltd	4.50%	3.91%
10. Caltex Australia Ltd	4.50%	3.46%

### 6.2.4.2 Diversification - Equal weighting

The equal weighting of each index component is calculated by dividing 100% by the number of index constituents. For example if there are 50 constituents in the Reference Index then each constituent will have a weight of 2%.

#### Example of equal weighting

At the review conducted during June 2016 there were 78 constituents in the Reference Index each with a weight of 1.28%. The following table demonstrates how the equal weighting regime adopted by MVIS in constructing the Reference Index operates by comparing the weightings of the largest and smallest 5 components of the Reference Index based on Free-float Market Capitalisation versus the VanEck Vectors Australia Equal Weight Index.

Components	% weight by Free-float Market Cap	% weight in MVW Reference Index
<b>Largest 5</b>		
1. Commonwealth Bank of Australia	11.66%	1.28%
2. Westpac Banking Corporation	9.02%	1.28%
3. Australia and NZ Banking Group	6.37%	1.28%
4. National Australia Bank Ltd	6.19%	1.28%
5. Telstra Corp Ltd	5.95%	1.28%
<b>Smallest 5</b>		
74. Alumina Ltd	0.18%	1.28%
75. Evolution Mining Ltd	0.18%	1.28%
76. Perpetual Ltd	0.17%	1.28%
77. IOOF	0.16%	1.28%
78. Ugl Ltd Ord	0.11%	1.28%

## 6.3 Index reviews

Index reviews for the MVIS indices are carried out on a quarterly basis based on closing data on the last business day in February, May, August and November. The underlying Reference Index data is announced on the second Friday in March, June, September and December (quarter-end month). Changes to the Reference Index are typically implemented (rebalancing) on the third Friday of each quarter-end month. MVIS may change the above timings without prior notice at its discretion.

#### **6.4 Transparency**

MVIS aims to provide the best possible transparency so that interested parties have access to all relevant information. You can register free of charge at [www.mvis-indices.com](http://www.mvis-indices.com) to access a copy of the MVIS Global Equity Index Guide containing up-to-date Reference Index rules, full methodology details and selection and review processes. Registration also enables you to access information on current Reference Index values (15 minutes delayed), constituent weightings and other statistical information.

#### **6.5 Governance arrangements regarding related party index provider**

MVIS is a related body corporate of VanEck. In order to minimise any potential for conflicts caused by the fact that MVIS provides indices for VanEck's Funds including the Reference Indices, MVIS has retained Solactive AG, an unaffiliated third party, as the calculation agent for the MVIS' indices. Solactive calculates, maintains and disseminates each of MVIS's indices on a daily basis in accordance with the rules-based methodology developed by MVIS. MVIS monitors the results produced by Solactive to help ensure that the indices are calculated in accordance with the applicable rules-based methodology. MVIS, VanEck and Van Eck Associates Corporation have established policies and procedures designed to prevent (1) non-public information about pending changes to MVIS' indices from being used or disseminated in an improper manner; and (2) improper use and dissemination of non-public information about a Fund's portfolio management from having any influence on the construction of the rule-based methodologies.

#### **6.6 MVIS Disclaimer**

The Funds are not sponsored, endorsed, sold or promoted by MVIS. MVIS makes no representation or warranty, express or implied, to VanEck or any member of the public regarding the advisability of investing in securities generally or in the Funds particularly. Each Reference Index is determined and composed by MVIS without regard to VanEck or the Funds. MVIS has no obligation to take the needs of VanEck or any Unitholders into consideration in determining or composing a Reference Index. MVIS is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of ETF Units to be issued or in the determination or calculation of the equation by which a Fund is to be converted into cash. MVIS has no obligation or liability in connection with the administration, marketing or trading of the Funds.

MVIS DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF ANY REFERENCE INDEX OR ANY DATA INCLUDED THEREIN AND MVIS SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. MVIS MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY VANECK OR ANY OTHER PERSON OR ENTITY FROM THE USE OF ANY REFERENCE INDEX OR ANY DATA INCLUDED THEREIN. MVIS MAKES NO EXPRESS OR IMPLIED WARRANTIES AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO ANY REFERENCE INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL MVIS HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

# Section 7

## Reference Indices - S&P Dow Jones Indices

### 7.1 ASX:FDIV - VanEck Vectors S&P/ASX Franked Dividend ETF

Reference Index	S&P/ASX Franked Dividend Index
<b>Bloomberg Index Ticker</b>	SPAXFDAT
<b>Index Provider</b>	S&P Dow Jones Indices ( <b>S&amp;PDJI</b> ). S&PDJI is not a related body corporate of VanEck.
<b>Overview</b>	The S&P/ASX Franked Dividend Index measures 30 companies within the S&P/ASX 200 that have paid out 100% franked dividends in the past two years while also maintaining dividend policies that are deemed sustainable.
<b>Calculation methodology</b>	<p>S&amp;PDJI calculates the S&amp;P/ASX Franked Dividend Index as follows:</p> <ol style="list-style-type: none"> <li>The eligible universe of securities is the S&amp;P/ASX 200 Index.</li> <li>S&amp;PDJI screens the eligible universe and narrows it down to an 'investible universe' based on the following criteria: <ol style="list-style-type: none"> <li>Liquidity: Existing companies in the Reference Index must have a minimum three-month average daily traded value of \$1.5 million. New companies require a minimum three-month average daily traded value of \$2.0 million;</li> <li>Franking percentage: Companies must have paid out 100% franked dividends over the past two years;</li> <li>Sustainability: Companies must have non-negative 12 month trailing earnings per share and non-negative three year dividend per share growth.</li> </ol> </li> <li>All companies in the investible universe are ranked according to Free-Float Market Capitalisation and the following process undertaken to derive a target number of 30 constituents in the Reference Index: <ol style="list-style-type: none"> <li>The largest 24 companies are automatically included;</li> <li>The remaining 6 are taken from the next 12 companies that rank from 25 to 36 with first priority given to companies already in the Reference Index and the remainder, if any, made up of the next largest, until the total equals 30.</li> </ol> </li> <li>The constituent companies are then weighted by Free-Float Market Capitalisation, subject to the following constraints: <ol style="list-style-type: none"> <li>The weight of each industry sector is capped at 40%;</li> <li>The weight of any individual company is capped at 10%.</li> </ol> </li> </ol>
<b>Rebalances</b>	The Reference Index is rebalanced semi-annually after the close of the last business day in January and July.
<b>Deletions</b>	<p>A company is deleted from the Reference Index, effective after the close on the trading date prior to the ex-date if it announces a dividend franking percentage of less than 100%. Weights are redistributed to the remaining companies in proportion to their index weighting as of the close on the trading date prior to the ex-date.</p> <p>S&amp;PDJI believes turnover in index membership should be avoided when possible. At times a company may appear to temporarily violate one or more of the investible universe criteria. However, these criteria are for addition to an index, not for continued membership. As a result, an index constituent that appears to violate the investible universe criteria will not be deleted unless ongoing conditions warrant an index change.</p>
<b>More information</b>	Further information about the Reference Index and S&PDJI is available at <a href="http://www.standardandpoors.com">www.standardandpoors.com</a> .

## 7.2 ASX:MVE - VanEck Vectors S&P/ASX MidCap ETF

<b>Reference Index</b>	S&P/ASX Midcap 50 Index
<b>Bloomberg Index Ticker</b>	ASA34
<b>Index Provider</b>	S&P Dow Jones Indices ( <b>S&amp;PDJI</b> ). S&PDJI is not a related body corporate of VanEck.
<b>Overview</b>	The S&P/ASX 50 represents the mid cap universe for Australia. The index is comprised of all the members of the S&P/ASX 100 excluding those in the S&P/ASX 50. Index constituents are drawn from eligible companies listed on the Australian Securities Exchange.
<b>Rebalances</b>	The Reference Index is rebalanced quarterly with changes taking effect after the market close on the third Friday of March, June, September and December. The Reference Index is also rebalanced when and if constituent changes are made in any of their respective parent indices, namely the S&P/ASX 50 and S&P/ASX 100.
<b>More information</b>	Further information about the Reference Index and S&PDJI is available at <a href="http://www.standardandpoors.com">www.standardandpoors.com</a> .

## 7.3 S&PDJI Disclaimer

The "S&P/ASX Franked Dividend Index" and "S&P/ASX MidCap 50 Index" (each a "Reference Index") are a product of S&P Dow Jones Indices LLC or its affiliates ("SPDJI") and ASX Limited ("ASX"), and have been licensed for use by VanEck. Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P") and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). ASX® is a registered trademark of ASX Operations Pty Limited. The trademarks have been licensed to SPDJI and have been sublicensed for use for certain purposes by VanEck. VanEck Vectors S&P/ASX Franked Dividend ETF and VanEck Vectors S&P/ASX MidCap ETF (the "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") or ASX. Neither S&P Dow Jones Indices nor ASX make any representation or warranty, express or implied, to the investors in the Funds or any member of the public regarding the advisability of investing in securities generally or in VanEck products particularly or the ability of the Reference Index to track general market performance. S&P Dow Jones Indices and ASX's only relationship to VanEck with respect to the Reference 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 Reference Index is determined, composed and calculated by S&P Dow Jones Indices without regard to VanEck or the Funds. S&P Dow Jones Indices and ASX have no obligation to take the needs of VanEck or the investors in the Funds into consideration in determining, composing or calculating the Reference Index. Neither S&P Dow Jones Indices nor ASX are responsible for and have not participated in the determination of the prices and amount of ETF Units in the Funds or the timing of the issuance or sale of ETF Units or in the determination or calculation of the equation by which ETF Units are to be converted into cash, surrendered or redeemed, as the case may be. S&P Dow Jones Indices and ASX have no obligation or liability in connection with the administration, marketing or trading of the Funds. There is no assurance that investment products based on the Reference Index will accurately track the Reference Index performance or provide positive investment returns. S&P Dow Jones Indices LLC is not an investment advisor. Inclusion of a security within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, nor is it considered to be investment advice.

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## Section 8

# Investment objective, strategy and performance of the Funds

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### 8.1 Investment objective of the Funds

Each Fund aims to provide investment returns (before management costs) that closely track the returns of their Reference Index. The Funds do not aim to perfectly replicate their Reference Index on a one-to-one basis for a number of reasons, including:

- differences in the timing of dividends and corporate actions between the Reference Index and the Funds;
- there are fees and other costs applicable to the Funds associated with operating the Fund which do not apply to the Reference Index (see section 10);
- the Funds may invest in securities:
  - that have been (but are no longer) included in the Reference Index; or
  - which are reasonably expected to be included in the Reference Index within 6 months,
- the Funds may hold a small amount of cash;
- we may allow individual security weightings to vary marginally from the Reference Index.

### 8.2 Investment strategy of the Funds

Each Fund employs a passive management strategy of physically replicating the Reference Index by investing directly in the securities that comprise the Reference Index in proportion to their relative weightings in the Reference Index.

From time to time the number of securities in the Reference Index may change due to factors such as index rebalancing and the Fund may hold other securities determined by us as necessary to achieve a Fund's investment objective.

Futures traded on a licensed exchange may be used in the Fund in exceptional circumstances to gain market exposure without investing directly in underlying securities in the Reference Index or for the purpose of short term management of certain cash flows with the intention of reducing tracking error risk. This allows VanEck to maintain each Fund's liquidity without being under-invested. Importantly, derivatives are not used in the Funds for speculation or to leverage a Fund's portfolio. For more information see '*Derivatives risk*' in section 9.2.9.

### 8.3 Performance of the Funds

Up to date performance information for each Fund and historical performance relative to the Reference Index is published at [www.vaneck.com.au](http://www.vaneck.com.au). Performance reported for a Fund will differ from that of the Reference Index. For more information see sections 8.1 and 9.2.6.

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

### 8.4 Borrowing arrangements

VanEck may maintain borrowing arrangements on behalf of the Funds for the purpose of short term management of certain cash flows with the intention of reducing tracking error risk. For more information see sections 9.2.6, 10.3.6 and 14.2.7.

### 8.5 Changes to a Fund's investment objective and strategy

We may from time to time vary a Fund's investment objective and strategy. Such variations may include changes to the Reference Index or replacement of it. We will notify Unitholders of any such changes.

### 8.6 Environmental, social and ethical considerations

We do not take into account labour standards or environmental, social or ethical considerations when selecting, retaining or realising investments for any of the Funds.

### 8.7 Proxy voting

We intend to vote all proxies in accordance with the best interests of Unitholders without influence by real or apparent conflicts of interest. To assist in our responsibility for voting proxies and the overall voting process, we have engaged a third party proxy voting specialist. The services provided by the specialist include in-depth research, issuer analysis and voting recommendations, as well as vote execution, reporting and recordkeeping.

### 8.8 Securities lending

The Funds will not engage in securities lending.

# Section 9

## Risks

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### 9.1 What is risk?

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

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

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

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

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

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

### 9.2 Risks associated with the Funds

The significant risks that can affect the performance of the Funds are typical of the risks of managed funds whose portfolios consist primarily of shares listed on ASX.

### 9.2.1 Market risk

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

### 9.2.2 Security specific risk

The value of a company's shares which make up part of the underlying assets in a Fund can be influenced by changes in and factors affecting company management, its business environment or profitability. These risks can impact the company's ability to repay its debt, its profitability and ultimately the value of its shares. By diversifying its holdings across multiple securities and market sectors, the Funds are generally insulated from the specific risks of individual securities. This risk is greater in sector specific Funds or in Funds which have a relatively small number of holdings such as the VanEck Vectors Australian Banks ETF which is concentrated in the banking sector, the VanEck Vectors Australian Property ETF which is concentrated in the property sector and the VanEck Vectors Australian Resources ETF which is concentrated in the resources sector.

### 9.2.3 Trading risk

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

#### **9.2.4 Liquidity risk**

This is the risk that an investment may not be able to be sold quickly enough to prevent or minimise a loss. A lack of liquidity may also affect the amount of time it takes us to satisfy a redemption request. As the underlying assets of the Funds are ASX listed securities and a Market Maker has been appointed, to support liquidity on ASX, the ETF Units should generally be liquid.

#### **9.2.5 Market Maker risk**

Although the ETF Units are admitted to trading on ASX, and a Market Maker is appointed to assist in maintaining liquidity in accordance with the AQUA Rules, there can be no assurance that there will be a liquid market if there is a failure by the Market Maker to make a market. A Market Maker's terms of appointment may limit or exclude its liability or recourse to it by Unitholders. Unitholders should be aware that a Market Maker may be paid fees (see section 10.3.1 for more information). The Market Maker will also retain for its own account any trading profits and bear any losses which may be generated by its market making activities.

#### **9.2.6 Tracking error risk**

This is the risk that a Fund fails to meet its investment objective and the performance of that Fund differs from the performance of the Reference Index. The difference between the performance of a Fund and the performance of the Reference Index is dependent on a number of factors including: the extent to which a Fund replicates the Reference Index, fees and other costs, asset valuations and corporate actions. A Fund may hold cash from time to time pending investment in line with the Reference Index. As a result there will be times when we are unable to fully replicate the Reference Index and the Funds will hold a sub-set of the Reference Index components in order to track the Reference Index as closely as possible. See section 8.1 for more information.

#### **9.2.7 Trading price risk**

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

#### **9.2.8 iNAV risk**

This is the risk that the Indicative Unit Price or 'iNAV' for a Fund may differ from the trading price of its ETF Units on ASX. This risk is dependent on a number of factors. The iNAV is calculated based on a portfolio of assets that reflects the portfolio held by a Fund at open of trading on the relevant ASX Trading Day, and varies throughout the day based on quotes and last sale prices of those assets. Changes to the portfolio, including rebalancing and movements of securities into or out of the portfolio during the day are not reflected in the iNAV. Consequently the iNAV should be considered as just that, indicative only, and should not be viewed as a 'real time' update of the Unit Price, which is only calculated once a day.

#### **9.2.9 Derivatives risk**

Derivatives may be used by the Funds as described in section 8.2. Derivatives derive their value from the performance of a reference asset, for example a share, a market index, interest rate or exchange rate.

The use of derivatives may expose a Fund to significant losses as the use of derivatives involves risks that are different from and potentially greater than, the risks associated with investing directly in the reference asset. For example, the risk of using derivatives include, but are not limited to, that of the derivative failing to move in line with the value of the underlying asset, counterparty risk and potential illiquidity which may occur if a particular derivative instrument is difficult to purchase or sell. See section 9.2.16 'Counterparty risk' for more information.

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

#### **9.2.10 Currency risk**

This is the risk that unfavourable fluctuations in the value of the Australian dollar relative to other currencies will adversely affect the value of underlying securities in the Reference Index due to those underlying securities having exposures to foreign currencies. The Funds do not have any direct currency exposure, as they do not invest in foreign currency denominated securities, however, the securities in the portfolios held by the Funds may have currency exposures due to their business operations in foreign countries.

### **9.2.11 Fund risk**

This is the risk that investing via a Fund may result in reduced performance compared to investing in the underlying securities directly because of: the fees and costs involved in investing in a Fund; the income or capital gains accrued in a Fund; and the consequences of creations and redemptions by Authorised Participants. In addition, there is a risk that the fees and costs applicable to a Fund could change, the Responsible Entity or other parties could change and a Fund could terminate.

### **9.2.12 Index risk**

There is a risk that the Reference Index ceases to be available for use by a Fund, resulting in a Fund not being able to achieve its stated investment objective. If this was to occur, VanEck will seek to track an alternative index that provides a substantially similar exposure as that of the Reference Index. In the unlikely event that an alternative index cannot be secured, there is a risk that a Fund could terminate.

### **9.2.13 Operational risk – force majeure**

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

### **9.2.14 Regulatory and tax risk**

The Funds may be affected by changes to legislation or government policy both in Australia and in other countries in which the securities the Funds invest in are regulated, the relevant company operates or is invested.

The Funds, the investments of the Funds and the tax consequences for Unitholders investing in the Funds, may be affected by tax changes or by changes to legislation or government policy both in Australia and in other countries.

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

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

### **9.2.15 Settlement risk**

The processes of issuing and redeeming ETF Units associated with creations and redemptions are subject to the normal settlement procedures through CHESS. The Funds are exposed to some risk if an Authorised Participant fails to comply with its settlement obligations. This risk is partly mitigated by the fact that Authorised Participants are generally subject to CHESS rules and ASX fail fees.

### **9.2.16 Counterparty risk**

This is the risk that the Funds' trading counterparties become insolvent or cannot otherwise meet their obligations to the Funds. The Funds may be exposed to counterparty risk through the use of futures. For more information see '*Derivatives risk*' in section 9.2.9.

# Section 10

## Fees and other costs

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### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100 000 to \$80 000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Fund or your financial adviser.

### TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

### Fees and other costs

This section shows fees and other costs that you may be charged.

These fees and costs may be deducted from your money, from the returns on your investment or from the assets of each Fund as a whole.

Taxation information in relation to the Funds is set out in section 13.

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

## 10.1 Fees and costs for ASX Investors

TYPE OF FEE OR COST <sup>1</sup>	AMOUNT	HOW AND WHEN PAID
<b>Fees when your money moves in or out of the Funds</b>		
<i>Establishment fee:</i> The fee to open your investment	Nil	Not applicable
<i>Contribution fee:</i> The fee on each amount contributed to your investment	Nil	Not applicable
<i>Withdrawal fee<sup>2</sup>:</i> The fee on each amount you take out of your investment	Nil <sup>2</sup>	Not applicable
<i>Exit fee:</i> The fee to close your investment	Nil	Not applicable
<b>Management costs<sup>3</sup></b>		
The fees and costs for managing your investment (% p.a.)		Calculated and accrued daily on the Fund Net Asset Value and reflected in the daily Unit Price of that Fund and payable to us from the assets of that Fund on a monthly basis on or about the first Business Day of the following month.
<b>FDIV</b>	0.35	
<b>MVA</b>	0.35	
<b>MVB</b>	0.28	
<b>MVE</b>	0.45	
<b>MVR</b>	0.35	
<b>MVS</b>	0.49	
<b>MVW</b>	0.35	
<b>Service fees</b>		
<i>Switching fee:</i> The fee for changing investment options	Nil	Not applicable

- 1 All fees and costs are inclusive of goods and services tax (GST) and net of any reduced input tax credits (RITC). A worked dollar example is shown below. Other fees and costs may apply. See section 10.3 for more information.
- 2 Except in limited circumstances ASX Investors are not eligible to redeem ETF Units with VanEck directly. See section 14.2.11 for more information.
- 3 Management costs may be negotiated by wholesale clients. See section 10.3.5 for more information.

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

This table gives an example of how the fees and costs for the **VanEck Vectors Australian Equal Weight ETF** can affect your investment over a 1 year period. You should use this table to compare this product with other managed investment products.

EXAMPLE: VANECK VECTORS AUSTRALIAN EQUAL WEIGHT ETF		BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR
Contribution fees	Nil	For every additional \$5,000 you put in you will be charged \$0.
<b>PLUS</b> Management costs	0.35% p.a. <sup>1</sup>	<b>And</b> , for every \$50,000 you have in the Fund you will be charged \$175 each year.
<b>EQUALS</b> Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees from: <b>\$175 to \$192.50<sup>1,2</sup></b> <b>What it costs you will depend on the fees you negotiate.</b>

- 1 Management costs may be negotiated by wholesale clients. See section 10.3.5 for more information.
- 2 This example assumes that the investment amount of \$50,000 does not rise or fall in value and remains invested for a full year. The maximum fee assumes the additional investment amount of \$5,000 was invested on the first day of the year and remains invested for the full year.

## 10.2 Fees and costs for Authorised Participants

TYPE OF FEE OR COST <sup>1</sup>	AMOUNT	HOW AND WHEN PAID
<b>Fees when your money moves in or out of the Funds</b>		
<i>Establishment fee:</i> The fee to open your investment	Nil	Not applicable
<i>Contribution fee<sup>2,3</sup>:</i> The fee on each amount contributed to your investment		Payable only by Authorised Participants per creation at the time of application for the creation of ETF Units by a Standard Basket Transaction.
<b>FDIV</b>	\$600	
<b>MVA</b>	\$400	
<b>MVB</b>	\$250	
<b>MVE</b>	\$900	
<b>MVR</b>	\$800	
<b>MVS</b>	\$1,650	
<b>MVW</b>	\$1,700	
<i>Withdrawal fee<sup>2,3</sup>:</i> The fee on each amount you take out of your investment		Payable only by Authorised Participants per redemption at the time of applying for the redemption of ETF Units by a Standard Basket Transaction.
<b>FDIV</b>	\$600	
<b>MVA</b>	\$400	
<b>MVB</b>	\$250	
<b>MVE</b>	\$900	
<b>MVR</b>	\$800	
<b>MVS</b>	\$1,650	
<b>MVW</b>	\$1,700	
<i>Exit fee:</i> The fee to close your investment	Nil	Not applicable
<b>Management costs<sup>3</sup></b>		
The fees and costs for managing your investment (% p.a.)		Calculated and accrued daily on the Fund Net Asset Value and reflected in the daily Unit Price of that Fund. Payable from the assets of that Fund on a monthly basis on or about the first Business Day of the following month.
<b>FDIV</b>	0.35	
<b>MVA</b>	0.35	
<b>MVB</b>	0.28	
<b>MVE</b>	0.45	
<b>MVR</b>	0.35	
<b>MVS</b>	0.49	
<b>MVW</b>	0.35	
<b>Service fees</b>		
<i>Investment switching fee:</i> The fee for changing investment options.	Nil	Not applicable

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

2 Additional Contribution and Withdrawal Costs will apply to Non-Standard Transactions as agreed with us from time to time. See section 10.3.4 for more information.

3 These fees and costs may be negotiated by wholesale clients. See section 10.3.5 for more information.

### 10.3 Additional explanation of fees and costs

#### 10.3.1 Management costs

The management costs represent the ongoing fees, costs and expenses associated with the management of the Funds. The management costs include:

- VanEck's fee;
- investment management fees;
- Custodian and Fund Administrator fees (excluding brokerage and transaction-based costs);
- Market Maker fees;
- accounting and audit fees;
- Reference Index license fees;
- Registrar service fees (excluding transaction-based costs);
- other recoverable expenses under the Fund's Constitution, including but not limited to the cost of preparing the Constitution and any PDS, fund administration and reporting; and
- allowance for GST and any input tax credits.

The management costs are calculated and accrued daily and reflected in the daily Unit Price. The management costs are paid to us from the assets of the Fund on a monthly basis on or about the first Business Day of the following month.

#### 10.3.2 Transaction costs

Transaction costs are incurred by the Funds when buying and selling the underlying securities as part of rebalancing the portfolios. These include things such as brokerage and settlement charges. Transaction costs are not included in the management costs set out in the tables in sections 10.1 and 10.2 and may be recovered from the assets of the Fund and accounted for in the Unit Price when they arise.

#### 10.3.3 Contribution and withdrawal fees for Authorised Participants

The contribution and withdrawal fees set out in the table in section 10.2 above are charged to Authorised Participants to cover the estimated costs incurred by the relevant Fund in relation to Standard Basket Transactions. These costs include custody and administration charges and management of accounts that underlie the transaction. The actual costs will be incurred by the Funds. These costs may be negotiated by wholesale clients and do not apply to ASX Investors. Additional Contribution and Withdrawal Costs will apply to Non-Standard Transactions. See section 10.3.4 for more information.

#### 10.3.4 Additional Contribution and Withdrawal Costs for Non-Standard Transactions

Additional Contribution and Withdrawal Costs will apply to any Non-Standard Transactions, equal to the difference between: the price at which a Fund purchases relevant securities (on a creation) or sells relevant securities (on a redemption); and the value of those securities used in the relevant Unit Price; plus other costs incurred by a Fund in connection with the transaction (including brokerage, custody and administration charges). All Additional Contribution and Withdrawal Costs will be payable by the Authorised Participant to the Funds.

#### 10.3.5 Fees and costs may be negotiated by wholesale clients

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

#### 10.3.6 Borrowing costs

Any costs and interest charges incurred in respect of any borrowing for the purpose of short term management of cash flows are not included in the management costs set out in sections 10.1 and 10.2 and may be recovered from the assets of the relevant Fund and accounted for in the Unit Price of that Fund as and when they arise. Borrowing may only be undertaken to manage certain cash flows to reduce tracking error risk. See section 9.2.6 for more information.

#### 10.3.7 Adviser fees

ASX Investors should obtain advice from a financial adviser before investing in a Fund to consider their individual investment objectives, financial situation and needs.

You will incur fees for any advice you receive. You should discuss these fees with your financial adviser prior to obtaining their advice.

#### 10.3.8 Brokerage fees

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

#### 10.3.9 Incidental fees

Incidental fees and costs such as regulatory levies and charges are not included in the management

costs set out in sections 10.1 and 10.2, and may be recovered from the assets of the relevant Fund and accounted for in the Unit Price as and when they arise.

#### **10.3.10 Abnormal expenses**

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

#### **10.3.11 Notification of changes to fees**

We may vary fees or introduce new fees without investor consent up to the maximums described in the Constitution. Under the Constitutions for the Funds, we are entitled to charge the following relevant maximum fees:

- Management fee: 5% p.a. of each Fund's NAV; and
- Application and Redemption fee (contribution and withdrawal fees): Up to \$10,000 per application or redemption.

Currently we pay all costs and expenses of the Funds other than transaction costs out of the management costs. We may decide in the future to recover expenses directly from the Funds in addition to the management costs. We will give 30 days' notice of any proposed increase in our fees and costs via the ASX Market Announcements Platform.

#### **10.3.12 Related party payments**

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

#### **10.3.13 Commissions and other benefits received**

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

# Section 11

## Investing in the Funds

### IMPORTANT NOTICE

This section provides a summary of the creation and redemption process that applies to transactions between the Funds and Authorised Participants (APs) only. These processes do not apply to ASX Investors and are provided for information purposes only and may change without notice.

ASX Investors may trade ETF Units on ASX via a Broker in the same way they trade listed shares.

#### 11.1 For APs prior to transacting

Full details of creation and redemption procedures will be agreed between VanEck and Authorised Participants from time to time and contained in an AP Agreement and related AP Procedures. Authorised Participants must complete an AP Agreement with VanEck prior to transacting directly with us. Please contact VanEck Capital Markets for more information on (02) 8038 3300.

#### 11.2 Applications by Authorised Participants

Applications for creations and redemptions of ETF Units may only be made by Authorised Participants who are Australian residents by completing the Application Form and delivering it to us by 4pm on an ASX Trading Day. We may accept or reject applications in a different form at our discretion. We may, in our sole discretion and without giving any reason, accept or reject all or part of an application for a creation or redemption.

#### 11.3 Standard Basket Transactions

Applications for creations or redemptions of ETF Units by APs will generally only be made by way of Standard Basket Transactions unless we agree otherwise.

A Standard Basket Transaction is an *in specie* transfer of a Standard Basket of securities plus or minus any balancing cash payment, in exchange for ETF Units. The relevant Standard Basket is published at [www.vaneck.com.au](http://www.vaneck.com.au) on a daily basis.

A Standard Basket for a Fund consists of:

- (a) securities in the Reference Index; and
- (b) any other securities determined by VanEck as necessary to achieve that Fund's investment objective.

#### 11.4 Minimum transaction size for APs

Applications for creations and redemptions by Authorised Participants can only be made in multiples of Creation Units or Redemption Units respectively, unless we agree otherwise. The number of ETF Units in a Creation Unit and Redemption Unit are set out in the table below. There is no minimum size investment for ASX Investors.

Fund	One Creation Unit / Redemption Unit (ETF Units)
FDIV	80,000
MVA	70,000
MVB	40,000
MVE	300,000
MVR	50,000
MVS	120,000
MVW	50,000

#### 11.5 Settlement via CHES

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

#### 11.6 Cooling-off

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

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

The redemption of ETF Units assumes that a Fund remains 'liquid' – meaning that its assets can be readily sold. Under the *Corporations Act*, a Fund is

liquid if 80% of the value of its assets comprises liquid assets. If a Fund is 'liquid', the Constitution requires that we must pay redemption proceeds within 21 days of the date of redemption of the relevant ETF Units (or the deemed date of such redemption).

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

### **11.8 Delay or suspension of creations and redemptions**

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

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

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

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

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

## **11.9 Valuations and pricing**

### *11.9.1 Unit Price or NAV*

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

The Fund Net Asset Value is calculated by subtracting the total value of all the liabilities and provisions of a Fund from the total value of all the assets of that Fund.

The NAV is determined as at the close of trading for each ASX Trading Day and published daily at [www.vaneck.com.au](http://www.vaneck.com.au).

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

### *11.9.2 Creation and redemption prices*

The prices at which Authorised Participants transact with VanEck for creations or redemptions is the NAV calculated at that day's valuation time following an application, plus or minus contribution or withdrawal fees respectively.

### *11.9.3 Redemption amounts*

The redemption amount paid to an Authorised Participant on the redemption of ETF Units may include an amount representing their entitlement to distributable income of a Fund.

### *11.9.4 Investing via the ASX*

ASX Investors trade ETF Units at market prices quoted on ASX through-out each ASX Trading Day. The presence of a Market Maker means market prices should remain close to the NAV, adjusted for changes in value of the underlying securities during the ASX Trading Day.

## **11.10 Unit Pricing Policy**

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

# Section 12

## Distributions

### 12.1 Payment of distributions

You may earn income from the Funds paid in the form of distributions. A distribution may include dividends, interest, other assessable income and realised capital gains.

In the case of VanEck Vectors S&P/ASX Franked Dividend ETF, as the portfolio of securities held by the Fund consists of only ASX listed companies with a recent history of paying 100% franked dividends, the dividend component should typically be 100% franked or very close to 100% franked.

We will provide details in advance of any distribution by the Funds to ASX for public release to the market. We do not guarantee that income will be available for distribution at the end of a distribution period. See section 12.2 for details.

The amount of any distributable income will vary between distribution periods and in some cases we may decide not to pay a distribution at our discretion.

To reduce any capital gains due to redemptions by Authorised Participants being left in the Funds and payable to remaining ASX investors as distributable income, the Funds will distribute realised capital gains to redeeming Authorised Participants. This means ASX Investors will generally pay less capital gains tax on any distributable income than they would on distributions received from a comparable unlisted managed fund.

### 12.2 Frequency of distributions

The Funds generally pay distributions on the following frequencies.

Fund	Distribution frequency
FDIV	Generally four times a year
MVA	Generally twice a year
MVB	Generally twice a year
MVE	Generally twice a year
MVR	Generally once a year
MVS	Generally twice a year
MVW	Generally twice a year

We may make more or fewer distributions at our discretion.

Payments are usually made within 21 days after the end of the distribution period. Distributions will be paid as cash to your nominated bank account unless you elect to participate in the Distribution Reinvestment Plan.

### 12.3 Transactions prior to a distribution period

The amount of income you are entitled to depends on how many ETF Units you hold at the end of the distribution period as a proportion of the total number of ETF Units outstanding in a particular Fund. Therefore, for instance, should the number of ETF Units outstanding increase due to a creation before the end of a distribution period, this may decrease the level of distributable income per ETF Unit that might otherwise have been payable at the end of the distribution period by that Fund.

Conversely a decrease in the number of ETF Units outstanding as a result of a redemption prior to the end of a distribution period, may increase the distributable income per ETF Unit that might otherwise have been payable by a Fund.

### 12.4 Distribution Reinvestment Plan

A Distribution Reinvestment Plan is available.

If you elect to participate in the DRP the amounts of any distributions will be credited to you as additional ETF Units following relevant payment dates. You need to contact the Registrar and complete the relevant form to participate in the DRP. Contact details are in the *Corporate directory* at the end of this PDS.

Participation in the DRP is subject to the DRP Rules as determined by VanEck from time to time. A copy of the DRP Rules is available at [www.vaneck.com.au](http://www.vaneck.com.au) or free of charge from us or the Registrar on request.

Unitholders can only elect to participate fully in the DRP where all distributions are reinvested in additional ETF Units. Partial DRP participation is not available. If no DRP election is made, distributions will be paid into a nominated Australian bank account, or held pending receipt of Australian bank account details.

# Section 13

## Taxation

### IMPORTANT NOTICE

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

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

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

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

### 13.1 Taxation of Australian resident Investors

No income tax is payable by a Fund. You will pay tax on your share of a Fund's income. Income that is subject to tax will be paid out of a Fund as a distribution. It can include capital gains made by a Fund, which may be taxed at a discounted rate.

The Funds may generate franking credits through investment in Australian shares. Franking credits may reduce your tax liability and in some circumstances will be refunded by the Australian Taxation Office.

The financial year end for each Fund is 30 June. You will be provided with a tax statement after the end of each financial year that will assist you in including the distribution information in your tax return.

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

### 13.2 Tax File Number

Unitholders will be asked to provide their tax file number (TFN) or Australian Business Number (ABN) or claim an exemption in relation to their investment in a Fund. There are strict guidelines that govern the use and storage of TFNs.

There is no obligation to provide a TFN or ABN. However, if no TFN or ABN is provided and no exemption is claimed, tax will be withheld from the Unitholder's distributions at the highest marginal rate and remitted to the Australian Taxation Office (ATO). These amounts will be credited to you when you lodge your tax return.

### 13.3 Taxation of Foreign Investors

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

# Section 14

## Other information you need to know

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

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

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

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

We will work with our external service providers to:

- manage all income and monitor the expenses of a Fund and arrange for payments to all creditors of the Funds;
- determine and arrange payment of all distributions in respect of a Fund and administer all distribution and taxation statements and notifications;
- process and administer all creation and redemption transactions in relation to each Fund;
- co-ordinate and manage all communications with ASX in relation to the ongoing admission to trading status of the ETF Units on ASX and communicate with ASIC

and other regulators as appropriate in relation to each Fund;

- address and respond to all investor and Unitholder enquiries, complaints and notification requirements;
- co-ordinate all Unitholder updates and reports, resolutions and Unitholder meetings and attend to all issues in relation to the Constitution as appropriate;
- prepare, maintain and implement policies in all areas of the operation of the Funds including a compliance plan, Unit Pricing Policy, proxy voting policy and DRP Rules; and
- market and promote the Funds, providing all information and support as appropriate to the Authorised Participants and other relevant parties including the Market Maker and other appointed brokers or financial advisers to assist in their marketing, promotion and distribution of the Funds.

### 14.2 The Constitution

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

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

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

#### 14.2.1 Beneficial interest

An ETF Unit confers a beneficial interest in the assets of a Fund to the Unitholder but not an

entitlement or interest in any particular part of the Fund or any particular asset.

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

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

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

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

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

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

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

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

Unitholders also have limited rights to call meetings and have the right to vote at any Unitholder meetings in accordance with the Constitution and *Corporations Act*. Except where the Constitution

or *Corporations Act* provides otherwise, a resolution of Unitholders must be passed by Unitholders who hold ETF Units exceeding 50% in value of the total value of all ETF Units held by Unitholders who vote on the resolution. A resolution passed at a meeting of Unitholders held in accordance with the Constitution binds all Unitholders.

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

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

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

#### **14.2.7 Borrowings**

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

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

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

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

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

Unitholders.

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

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

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

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

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

### **OTHER INFORMATION**

#### **14.3 Compliance plan**

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

#### **14.4 Compliance committee**

VanEck has established a compliance committee which comprises at least three members, of which the majority are external members. The compliance committee is required to monitor VanEck compliance with each Fund's compliance plan, assess the adequacy of the compliance plan and report breaches of the Constitution and the *Corporations Act* to the

directors of VanEck, and in some circumstances to ASIC.

#### **14.5 Settlement via CHESS**

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

#### **14.6 Market Maker**

Under the AQUA Rules, VanEck is required to facilitate an orderly and liquid market in the Fund. To do this we may appoint more than one Market Maker to act as a buyer and seller to the secondary market (ASX). A Market Maker may create and redeem ETF Units and may also provide buy and sell prices for ETF Units on ASX, while potentially also hedging their underlying positions.

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

At the date of this PDS VanEck has entered into a number of arrangements with related parties from the VanEck group of companies. These include VanEck Australia Pty Ltd for business administration, sales and marketing and support services. We may also use Van Eck Associates Corporation based in New York or related entities as a sub-adviser in relation to the investment management of the Fund's portfolio and for performance attribution. Where related parties receive a financial benefit, those payments are made out of the management costs and are not an additional cost incurred by Unitholders. Such arrangements are entered into on arms' length commercial terms after considering the requirements of VanEck's conflicts of interest policy.

#### **14.8 Index Providers**

We have appointed MVIS and S&PDJI as the Index Providers for the Funds. Please refer to sections 6 and 7 for a full description of the Reference Indices. MVIS and S&PDJI have given and as at the date of this PDS have not withdrawn their consent to be named as the Index Providers in this PDS and to the statements in sections 6 and 7 of this PDS.

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

VanEck has appointed J.P. Morgan Chase Bank, N.A. (Sydney Branch) as the Custodian and Fund Administrator of the Funds. J.P. Morgan Chase Bank, N.A. (Sydney Branch) will provide custodial services, including the holding of all assets on behalf of the Funds and certain fund

administration services, such as fund accounting, calculation of distributions and unit pricing, to the Funds. J.P. Morgan Chase Bank, N.A. (Sydney Branch) has not been involved in any way in the preparation of this PDS and is named only for information purposes. J.P. Morgan Chase Bank, N.A. (Sydney Branch) has given and as at the date of this PDS has not withdrawn its consent to be named as the Custodian and Fund Administrator in this PDS.

#### 14.10 Registrar

VanEck has appointed Link Market Services Limited ('Link') as Registrar to maintain Unitholder records such as quantity of ETF Units held, TFN and details of participation in the DRP. The Registrar can be contacted as follows:

Locked Bag A14  
Sydney South, NSW, 1235  
Telephone: 1300 68 38 37

Link has given and as at the date of this PDS has not withdrawn its consent to be named as the Registrar in the form and context in which it is named in this PDS. Link has had no involvement in the preparation of any part of this PDS other than being named as the Registrar for the Funds. Link has not authorised or caused the issue of and expressly disclaims and takes no responsibility for any part of this PDS.

#### 14.11 Continuous disclosure

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

#### 14.12 Information available at VanEck's website

The following information related to each Fund is available at [www.vaneck.com.au](http://www.vaneck.com.au):

- Fund Net Asset Value;
- Unit Price;
- Standard Basket for creations or redemptions;
- number of ETF Units outstanding;
- portfolio holdings;
- the current PDS, any supplementary PDS and any changes that are not materially adverse to investors;
- DRP Rules;
- Unit Pricing Policy;
- information about any distributions;

- any announcements lodged with the ASX Market Announcements Platform (including continuous disclosure notices and any other disclosure document that is made available or provided to Unitholders); and
- annual reports and half-year reports (including financial statements).

#### 14.13 Annual report

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

#### 14.14 iNAV (Indicative Unit Price)

The iNAV is an estimate only of the then current Unit Price of a Fund calculated based on that Fund's portfolio as at the open of trading that day and adjusted throughout the day, using market data, based on quotes and last sale prices.

At the date of this PDS we have arranged for ASX to calculate and distribute the iNAV for each Fund to third party Broker websites and other financial information service providers. We may change providers at our discretion. The iNAV codes for the Funds are set out on the front cover of this PDS.

An iNAV is not, and should not be relied on as being the value of a Unit or the price at which ETF Units may be applied for or redeemed, or bought or sold on ASX. An iNAV should be considered as indicative only and investors should consider other available market information when making any investment decision. Only Authorised Participants can trade based on the Unit Price.

ASX generally updates and disseminates the iNAVs every 30 seconds. We will take reasonable steps to ensure that the iNAVs are available and updated no less than every 15 minutes, however, no assurance is given that the iNAVs will be published continuously, or will be up to date or free from error and neither VanEck nor any other party involved in the operation of the Funds accepts any liability to any person who relies on an iNAV. For more information on the risks of relying on the iNAV, see section 9.2.8.

#### 14.15 Interest on cash held in the Funds

In circumstances where a Fund holds cash, any interest earned on those amounts will be retained for the benefit of all Unitholders in that Fund. For example, a Fund may hold cash pending the

purchase of securities for a cash-only application or payment of cash-only redemption proceeds.

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

#### 14.16 Investor identification and verification

VanEck has investor identification and verification procedures (ID Procedures) in place to manage risks associated with fraud and unauthorised transactions. In addition, under *Anti-Money Laundering and Counter Terrorism Financing* (AML/CTF) legislation, we are required to establish and enforce appropriate risk control programs with accompanying ID Procedures and transaction monitoring procedures.

Our ID Procedures require Authorised Participants to provide satisfactory proof of identity which must be verified before an application for a creation or redemption of ETF Units can be accepted. The ID Procedures may also require us, from time to time, to verify that information or request additional identification or related information from the Authorised Participant, before we can process a requested transaction on their behalf.

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

#### 14.17 The U.S. Foreign Account Tax Compliance Act (FATCA)

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

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

account holders and US unitholders, or incur 30% withholding tax in the US

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

#### 14.18 Complaints

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

Complaints Officer  
VanEck Investments Limited  
PO Box R1775  
Royal Exchange, NSW, 1225  
Telephone: (02) 8038 3300

Email: [complaints@vaneck.com.au](mailto:complaints@vaneck.com.au)

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

You can contact FOS as follows:

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

#### 14.19 Privacy Notice

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

VanEck and the Registrar may collect, hold and use your personal information in order to process

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

If you do not provide the personal information required to open a Broker account and invest, your investment application may not be processed.

For example your information may be used to:

- ensure compliance with all applicable regulatory or legal requirements. This includes the requirements of ASIC, ATO, AUSTRAC, ASX and other regulatory bodies or relevant exchanges including requirements under the *Corporations Act* and superannuation law; and
- ensure compliance with the *Anti-Money Laundering and Counter-Terrorism Financing Act*.

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

- our service providers, related bodies corporate or other third parties for the purpose of account maintenance and administration and the production and mailing of statements, such as share registries, custodians, accountants and auditors of the Funds and certain software providers related to the operational management and settlement of the ETF Units and fraud monitoring.

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

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

This is to keep you informed of VanEck products and services. If you apply for ETF Units, you agree to be contacted for these purposes.

The third parties to whom we may disclose your personal information (listed in the bullet points above) may be located overseas, including in the United States.

If you do not wish to receive marketing communications from us or our associates, including by email, please contact us at [privacy@vaneck.com.au](mailto:privacy@vaneck.com.au).

VanEck's Privacy Policy contains information about how you may complain about a breach of your privacy and how we will deal with such a complaint.

You can obtain a full copy of VanEck's Privacy Policy at [www.vaneck.com.au](http://www.vaneck.com.au) or we will send you a paper copy free of charge on request.

To access, update or seek correction of your personal information, please contact the Registrar on 1300 68 38 37, or in writing addressed to: Link Market Services Limited, Locked Bag A14, Sydney South, NSW, 1235, or contact your Broker.

#### 14.20 ASIC Relief

##### *Exemption – Unequal treatment in withdrawal from an AQUA exchange traded fund*

ASIC has granted Class Order relief under section 601QA of the *Corporations Act* from the equal treatment requirement in section 601FC(1)(d), to the extent necessary to allow the Responsible Entity to not treat Unitholders equally to the extent that it restricts withdrawals from a Fund to Authorised Participants.

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

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

##### *Exemption – Unequal treatment in provision of information to authorised participants*

ASIC has granted Class Order relief under section 601QA of the *Corporations Act* from the equal treatment requirement in section 601FC(1)(d), to the extent necessary to allow the Responsible Entity to not treat Unitholders equally to the extent that it restricts the Responsible Entity from providing information to Authorised Participants before other members about:

- (a) the Reference Index; and
- (b) scheme property specifying:

- (i) the number and class of securities and any other property required to acquire an ETF Unit by Authorised Participants on the ASX Trading Day that first ends after the information is provided; and
- (ii) the number and class of securities and any other property transferred on withdrawal from an ETF Unit by Authorised Participants on the ASX Trading Day that first ends after the information is provided.

The ASIC Class Order relief applies while the ETF Units are able to be traded on ASX. The Responsible Entity will provide information about the Reference Index, and the number and identity of securities in a Fund, to Authorised Participants before other members. This information is publicly disclosed to ASX and at [www.vaneck.com.au](http://www.vaneck.com.au) prior to the commencement of the ASX Trading Day after the day on which such disclosure is made to Authorised Participants. VanEck will take reasonable steps to ensure that the iNAV is available and updated no less than every 15 minutes during each ASX Trading Day.

*Declaration – relevant interest in ETF assets*

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

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

For the purposes of this relief, we confirm that the investment strategies for the Funds are to make investments that are expected to result in the value of a ETF Unit changing in proportion to the value of the Reference Index, ignoring the effect of fees and other costs (including taxes) in relation to the Funds.

*Declaration – Substantial Interest and Beneficial Tracing*

ASIC has granted Class Order relief under section 673(1) of the *Corporations Act* by notionally inserting section 671AA and modifying sections 671B and 672B of the *Corporations Act* in relation to the substantial holding notice regime in the *Corporations Act* for all AQUA products. Under the relief, an Authorised Participant who holds ETF Units will be taken to have a relevant interest in the underlying securities of a Fund as if the Authorised Participant had made a withdrawal request in relation to all their ETF Units, with the number and classes of underlying securities transferred to the Authorised Participant being those most recently disclosed by the Responsible Entity to the Authorised Participant in relation to a withdrawal request for an ETF Unit. This relief will not apply to the extent an Authorised Participant actually makes a withdrawal request in respect of ETF Units. The general effect of this relief, provided that certain conditions are met, is that Authorised Participants who hold ETF Units can calculate their relevant interests in the underlying securities of a Fund for the purposes of Chapter 6C of the *Corporations Act* on the basis of the portfolio of securities relevant to a redemption which is published daily at [www.vaneck.com.au](http://www.vaneck.com.au)

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

*Periodic Statements*

ASIC has granted Class Order relief under sections 1020F(1)(a) and 1020F(1)(c) of the *Corporations Act* so that where the Responsible Entity is not aware of the price at which ETF Units are transferred, periodic statements are not required to disclose amounts paid in relation to a transfer of ETF Units or the return on investment during the reporting period (provided that the return on investment is not able to be calculated by the Responsible Entity and the periodic statement explains why this information is not included and describes how it can be obtained or calculated). The periodic statement will itemise transactions by disclosing the date of transfer and whether the

Unitholder acquired or disposed of ETF Units and the number of ETF Units transferred, and will explain why prices of ETF Units for transfers and the total dollar value of transfers have not been included. The periodic statement will also include performance information of a Fund relative to the investment objectives over one and five year periods. The ASIC Class Order relief applies while the relevant ETF Units are able to be traded on ASX.

*Ongoing disclosure relief*

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

# Glossary of terms

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

TERM	MEANING
<b>Additional Contribution and Withdrawal Costs</b>	Costs payable by Authorised Participants in respect of Non-Standard Transactions, in addition to the usual contribution and withdrawal fees stated in the fee table in section 10.2. See section 10.3.4 for more information.
<b>AP Procedures</b>	The procedures for transacting with VanEck in relation to the Funds as agreed in writing with Authorised Participants from time to time.
<b>Application Form</b>	The application form for use by Authorised Participants to make applications for creations and redemptions of ETF Units available at <a href="http://www.vaneck.com.au">www.vaneck.com.au</a> or by contacting us on 1300 68 38 37.
<b>AQUA Rules</b>	Schedule 10A of the ASX Operating Rules and related rules and procedures, as amended, varied or waived from time to time.
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	Australian Securities Exchange operated by ASX Limited
<b>ASX Investors</b>	Unitholders who acquire ETF Units on ASX.
<b>ASX Rules</b>	ASX Operating Rules and ASX Settlement Operating Rules and any other applicable rules and procedures as issued, amended, varied or waived by ASX from time to time.
<b>ASX Trading Day</b>	A day that ASX is open for trading.
<b>ATO</b>	Australian Taxation Office
<b>AUSTRAC</b>	Australian Transaction Reports and Analysis Centre
<b>Authorised Participant or 'AP'</b>	A 'Trading Participant' as that term is defined in the ASX Operating Rules who has entered into an agreement with VanEck.
<b>Broker</b>	Online broker, stockbroker or financial adviser
<b>Business Day</b>	Means a day that is not a Saturday, Sunday, bank holiday or public holiday in NSW, Australia, or such other day or days determined by VanEck.
<b>CHESS</b>	The Clearing House Electronic Sub-register System owned and operated by ASX Settlements Pty Limited, a subsidiary of ASX Limited.
<b>Constitution</b>	The trust deed registered with ASIC establishing the managed investment scheme underlying a Fund, as amended from time to time.
<b>Corporations Act</b>	The Corporations Act 2001 (Cth)
<b>Creation Unit</b>	The minimum number of ETF Units that must be applied for in a Fund by an Authorised Participant in an application for a creation of ETF Units as specified in the table in section 11.4.
<b>Custodian</b>	J.P. Morgan Chase Bank, N.A. (Sydney Branch) ABN 43 074 112 011

<b>Distribution Reinvestment Plan or DRP</b>	A plan allowing Unitholders to elect to have any distributions by a Fund reinvested in additional ETF Units credited to their account, instead of receiving a cash payment to their nominated Australian bank account.
<b>DRP Rules</b>	The rules relating to a Unitholder's participation in the DRP a copy of which are available at <a href="http://www.vaneck.com.au">www.vaneck.com.au</a> .
<b>ETF</b>	Abbreviation for 'Exchange Traded Fund'.
<b>ETF Units</b>	Interests issued by the Responsible Entity in a Fund pursuant to this PDS, the Fund's Constitution and the Corporations Act.
<b>Exchange Traded Fund</b>	A managed investment scheme registered with ASIC which is designed to closely track the value of an underlying index or other asset and is admitted to trading on ASX under the AQUA Rules.
<b>Foreign Investor</b>	A person who is not an Australian resident for income tax purposes.
<b>Free-Float Market Capitalisation</b>	The portion of a company's Market Capitalisation that is freely available for trading in the market.
<b>Fund</b>	Any one of the ETFs named on the front cover of this PDS.
<b>Fund Administrator</b>	J.P. Morgan Chase Bank N.A. (Sydney Branch) ABN 43 074 112 011
<b>Fund Net Asset Value</b>	The total value of all of the assets of a Fund minus the total value of all of the liabilities and provisions of that Fund.
<b>iNAV or Indicative Unit Price</b>	Indicative NAV of an ETF Unit disseminated by ASX at regular intervals throughout each ASX Trading Day. See sections 4.8, 9.2.8 and 14.14.
<b>Index Provider</b>	MV Index Solutions ( <b>MVIS</b> ) and S&P Dow Jones Indices ( <b>S&amp;PDJI</b> ) individually or collectively as the context requires. See sections 6 and 7 for more information.
<b>Index Universe</b>	The universe of securities eligible for inclusion in an MVIS Reference Index prior to the application of the Investability Criteria. For more information see section 6.
<b>Investability Criteria</b>	The liquidity screens applied to each of the securities in the Index Universe to determine the Investable Index Universe. For more information see section 6.
<b>Investable Index Universe</b>	The securities eligible for selection as a component of an MVIS Reference Index subject to the relevant Target Coverage being satisfied. For more information see section 6.
<b>Market Capitalisation</b>	The total value of the issued shares of a publicly traded company. It equals the share price times the number of shares on issue.
<b>Market Maker</b>	An institution appointed by VanEck to assist it in maintaining liquidity of trading of the ETF Units on ASX. A Market Maker may also be an Authorised Participant.
<b>MVIS</b>	MV Index Solutions GmbH, a related entity of VanEck based in Frankfurt, the Index Provider for MVA, MVB, MVR, MVS and MVW. For more information see section 6.
<b>NAV</b>	The Unit Price
<b>Non-Standard Transaction</b>	A creation or redemption other than a Standard Basket Transaction.
<b>PDS</b>	This product disclosure statement.

<b>Redemption Unit</b>	The minimum number of ETF Units that must be redeemed by an Authorised Participant in the event of a redemption.
<b>Reference Index</b>	The underlying index that a Fund aims to closely track. For more information see page 5 and sections 6, 7 and 8.
<b>Registrar</b>	Link Market Services Limited ABN 54 083 214 537
<b>Responsible Entity</b>	The entity licensed entity authorised by ASIC to act as the Responsible Entity of the Funds with responsibility for operating the Funds and the issuer of ETF Units and this PDS. For the life of this PDS this is VanEck Investments Limited ABN 22 146 596 116 AFSL 416755.
<b>S&amp;PDJI</b>	S&P Dow Jones Indices, the Index Provider for FDIV and MVE. For more information see section 7.
<b>Standard Basket</b>	The parcel of securities required for a Standard Basket Transaction as published on our website at <a href="http://www.vaneck.com.au">www.vaneck.com.au</a> on a daily basis comprising underlying securities in the Reference Index and any other securities determined by VanEck as necessary to achieve a Fund's investment objective.
<b>Standard Basket Transaction</b>	A creation/redemption for a whole number multiple of Creation Units/Redemption Units where the consideration is paid by way of <i>in specie</i> transfer of underlying securities constituting the Standard Basket plus or minus a residual cash amount.
<b>Target Coverage</b>	The percentage of the total Market Capitalisation or Free-float Market Capitalisation of the Investable Index Universe targeted for inclusion in a MVIS Reference Index. See section 6 for more information.
<b>Unit Price or NAV</b>	The Fund Net Asset Value divided by the number of ETF Units outstanding.
<b>Unit Pricing Policy</b>	VanEck's Unit Pricing Discretions Policy that sets out how VanEck exercises any discretions in relation to the calculation of the Unit Prices. Available at <a href="http://www.vaneck.com.au">www.vaneck.com.au</a>
<b>Unitholder</b>	The person named as the holder of ETF Units in a Fund as recorded in the register maintained by the Registrar.

# Corporate directory

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**Responsible Entity**

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**Custodian and Fund Administrator**

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**Registrar**

Link Market Services

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