



VanEck Investments Limited  
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26 July 2021

**PRODUCT DISCLOSURE STATEMENT DATED 26 FEBRUARY 2019**  
**NOTICE OF ADDRESS AND NAME CHANGES**

Effective 26 July 2021, the address of the funds offered under the PDS dated 26 February 2019 is changed to Level 47, Suite 2, 25 Martin Place, Sydney NSW 2000 and are renamed as follows:

Code	Previous name	New name
QHAL	VanEck Vectors MSCI World ex Australia Quality (Hedged) ETF	VanEck MSCI International Quality (Hedged) ETF
REIT	VanEck Vectors FTSE International Property (Hedged) ETF	VanEck FTSE International Property (Hedged) ETF

All other contact details remain unchanged and the change of names has no impact on the management or operation of the funds.

The ASX trading codes for the funds have not changed.

**For more information:**

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

**IMPORTANT NOTICE:** VanEck Investments Limited is the responsible entity and issuer of a range of VanEck exchange traded funds on ASX ("Funds"). This information contains general advice only about financial products and is not personal advice. It does not take into account any person's individual objectives, financial situation or needs. Before making an investment decision in relation to a Fund, you should read the relevant PDS available at [www.vaneck.com.au](http://www.vaneck.com.au) or by calling 1300 68 38 37 and with the assistance of a financial adviser consider if it is appropriate for your circumstances. 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 Fund. Past performance is not a reliable indicator of future performance.



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## Product Disclosure Statement

Incorporating the following Funds:

<b>ASX code</b>	<b>Fund name</b>	<b>ARSN</b>
<b>QHAL</b>	VanEck Vectors® MSCI World ex Australia Quality (Hedged) ETF	631 507 563
<b>REIT</b>	VanEck Vectors® FTSE International Property (Hedged) ETF	631 508 248

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

26 February 2019

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# Section 1

## Important information to read first

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This product disclosure statement ('PDS') is issued by VanEck Investments Limited ABN 22 146 596 116 AFSL No 41 6755 as responsible entity of the VanEck Vectors MSCI World ex Australia Quality (Hedged) ETF and VanEck Vectors FTSE International Property (Hedged) ETF (individually '**Fund**' and collectively '**the Funds**'). Each Fund is a registered managed investment scheme regulated by the Australian Securities and Investments Commission ('**ASIC**'). A class of units in each Fund ('**ETF Units**') is expected to be admitted to quotation and trading as an Exchange Traded Fund ('**ETF**') on the Australian Securities Exchange ('**ASX**'). ETF Units may also be traded on the licensed financial market operated by Chi-X Australia Pty Ltd. For ease, all references in this PDS are only to 'ASX'.

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

A copy of this PDS has been lodged with ASIC and will be lodged with the Registrar of Financial Service Providers, New Zealand ('**RFSPNZ**') and ASX. Neither ASIC, RFSPNZ nor ASX take any responsibility for the contents of this PDS. We have applied to ASX for Units in the Funds ('**ETF Units**') to be admitted to trading status on ASX under the AQUA Rules as an ETF. As at the date of this PDS, ETF Units are yet to be quoted. No applications for ETF Units will be accepted until the exposure period has expired and ETF Units are quoted on ASX. The exposure period expires seven days after the date of this PDS, when it was lodged with ASIC, subject to possible extension by ASIC for a further seven days.

### Authorised Participants

The offer of ETF Units in this PDS is only for Authorised Participants (or '**APs**'). Only APs may acquire ETF Units directly from VanEck by submitting an application for a creation (see section 11).

### ASX Investors

All investors may purchase ETF Units on ASX, in the same way they purchase shares in a listed company 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 to submit an application under this PDS.

### Classes of units

The ETF Units referred to in this PDS are an ETF class of units in the Fund. As such it is only the ETF class of the Fund that is quoted on ASX. As at the date of this PDS, 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.

### Up to date information

All information in this PDS is current as at the date of this PDS. Unless otherwise stated, VanEck sources its data from public or licensed market data. Information and the terms in this PDS are subject to change from time to time. We may provide notices of any updates or changes to information that are not materially adverse to investors by publishing a notice at [www.vaneck.com.au](http://www.vaneck.com.au) on the Fund's page. If we issue a supplementary or replacement PDS, in addition to updating the documents on our website we will make an announcement on ASX. A paper copy of this PDS and any updated information will be provided free of charge on request by contacting us at 1300 68 38 37.

### General advice warning

This PDS contains general advice only about financial products and is not personal 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 (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 (see section 9), including possible delays in repayment and loss of income and capital invested. None of VanEck Investments Limited, VanEck Australia Pty Ltd, Van Eck Associates Corporation or their related entities, directors or officers, gives any guarantee or assurance as to the performance of the Fund, the payment of income or the repayment of capital invested.

### Foreign Investors

Foreign professional and institutional investors may act as Authorised Participants subject to relevant laws.

Other Foreign Investors may trade ETF Units on ASX via their stockbroker.

ETF Units are not intended to be sold to United States ('**US**') Persons as defined under Regulation S of the US federal securities laws.

# Section 2

## About VanEck®

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### 2.1 VanEck Investments Limited

#### The Responsible Entity

VanEck Investments Limited is the Responsible Entity of the 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 asset manager Van Eck Associates Corporation.

### 2.2 VanEck Vectors® ETFs

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

As at 31 January 2019 VanEck's family of ETPs totalled over \$55 billion in assets under management, making it one of the largest ETP families worldwide.

### 2.3 Founded in 1955

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

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

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

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

As at 31 January 2019, the firm managed over \$65 billion in investor assets including its VanEck Vectors ETP business.

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

# Section 3

## Summary of the Funds

Subject	Summary		For more information
<b>Responsible Entity</b>	VanEck Investments Limited ABN 22 146 596 116 AFSL No 41 6755		Section 2
<b>Type of investment</b>	<p>Exchange-traded funds (ETFs) offer investors the ability to acquire a diversified portfolio over an entire market segment via a single investment on ASX.</p> <p>An ETF is an open-ended fund that aims to track the performance, before fees and other costs, of a financial market index by investing in a portfolio of securities that constitute the index.</p> <p>Units in an ETF are traded on ASX. As such, a single trade in an ETF on ASX gives investors easy and cost effective access to a diversified portfolio of securities held by the ETF.</p>		Sections 5, 6, 7
<b>Investment purpose</b>	<b>Fund</b>	<b>Purpose</b>	Sections 7, 8.1 and 8.2
	<b>QHAL</b>	<p>The Fund is designed to give investors low-cost access to the returns of quality international (ex-Australia) companies, hedged into Australian dollars. It does this by investing in QUAL which invests in international companies with a high quality score determined by MSCI based on three fundamental variables:</p> <ul style="list-style-type: none"> <li>○ return on equity;</li> <li>○ earnings variability; and</li> <li>○ debt to equity ratio.</li> </ul> <p>Unlike QUAL, QHAL is hedged to Australian dollars so the value of the Fund is relatively unaffected by currency fluctuations.</p>	
<b>REIT</b>	<p>The Fund is designed to give investors low-cost access to the returns of international property securities, hedged into Australian dollars. It does this by investing in companies and real estate investment trusts (REITs) listed in developed countries around the world that derive a significant portion of their EBITDA from rental income. The Fund is hedged to Australian dollars so the value of the Fund is relatively unaffected by currency fluctuations.</p>		
<b>Investment objective</b>	Each Fund aims to provide investment returns before fees and other costs which track the performance of its Reference Index in Australian dollars.		Section 7
<b>Reference Index</b>	<b>Fund</b>	<b>Reference Index</b>	Section 8.1
	<b>QHAL</b>	MSCI World ex Australia Quality 100% Hedged to AUD Index	
<b>REIT</b>	FTSE EPRA NAREIT Developed ex Australia Rental Index AUD Hedged		Section 8.2
<b>Investment strategy</b>	<b>Fund</b>	<b>Investment strategy</b>	Section 7
	<b>QHAL</b>	The Fund invests in QUAL which employs a passive management strategy of investing in the securities that comprise the relevant Reference Index.	

	<b>REIT</b>	The Fund employs a passive management strategy of investing directly in the securities that comprise the relevant Reference Index.	
<b>Benefits</b>	<p>Each Fund provides investors with:</p> <ul style="list-style-type: none"> <li>o cost effective and easy access to a diversified portfolio of international listed equities via a single trade on ASX;</li> <li>o hedging against currency risk;</li> <li>o transparency of holdings, pricing and performance;</li> <li>o flexibility of intraday ASX trading capability; and</li> <li>o less paperwork than investing directly in international securities.</li> </ul> <p>Compared to unlisted actively managed funds, investors benefit from: trading via live prices on ASX; potentially lower costs; liquidity; transparency and intraday trading.</p>		Section 5
<b>Risks</b>	<p>An investment in the Funds is subject to various risks, including possible loss of income and capital invested. You should carefully consider the risks before deciding to invest. This is a summary of key risks only. You should carefully read section 9 for more details.</p> <p>Some of the risks that are applicable to the Funds include:</p> <ul style="list-style-type: none"> <li>o <b>Market risk:</b> an investment in a Fund involves risks associated with investing in the stock market, including general economic conditions and sudden and unpredictable drops in value;</li> <li>o <b>Index tracking error risk:</b> the risk that the performance of a Fund differs from the performance of its Reference Index (including due to fees and costs); and</li> <li>o <b>Concentration risk:</b> the risk a Fund's assets are concentrated in particular sector or markets, as represented by its Reference Index.</li> </ul> <p>In addition, investing in the Funds gives rise to further risks including risks associated with cross-border investing, such as:</p> <ul style="list-style-type: none"> <li>o <b>ASX trading time differences:</b> ETF Units are only able to be traded during ASX trading hours. Market factors could adversely impact the value of securities in a Fund while ASX is closed for trading.</li> <li>o <b>Regulatory and tax risks:</b> your investment could be adversely affected by regulatory or tax changes in Australia or other countries in which the securities in the Funds are regulated.</li> </ul>		Section 9
<b>Investing in a Fund</b>			
<b>All investors</b>			
<b>Unit Price or 'NAV'</b>	<p>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 once all markets are closed for that day based on the closing price of the securities on the relevant foreign stock exchange or for QHAL the NAV of QHAL. It is then converted to Australian dollars based on the relevant London WM Reuters 4pm exchange rate and will be available at <a href="http://www.vaneck.com.au">www.vaneck.com.au</a> the next Business Day.</p>		Section 11
<b>Authorised Participants – transacting under this PDS</b>			
<b>Transacting with VanEck by APs</b>	<p>Authorised Participants must enter into an agreement with VanEck and submit written applications for creations or redemptions of ETF Units.</p>		Section 11
<b>Price paid by APs</b>	<p>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 fees and other costs.</p>		

<b>Cutoff time for APs</b>	2 pm on each ASX Trading Day.		
<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>). If we agree, 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>	ETF Units can only be redeemed in multiples of Redemption Units, unless we agree otherwise. Payment of redemption proceeds will primarily be in the form of a Standard Basket Transaction. If we agree, the redemption proceeds may also be paid by a Non-Standard Transaction.		
<b>APs minimum transaction size</b>	Unless we agree otherwise in advance, the minimum number of ETF Units for a creation ( <b>Creation Unit</b> ) and a redemption ( <b>Redemption Unit</b> ) are as follows:		
	<b>Fund</b>	<b>No. of ETF Units per Creation Unit or Redemption Unit</b>	
	<b>QHAL</b>	140,000	
	<b>REIT</b>	120,000	
<b>Investing in the Funds via ASX – 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. You should check with your Broker.		Sections 4, 5
<b>ASX prices</b>	ASX Investors trade ETF Units at trading prices quoted on ASX throughout each ASX Trading Day. The presence of a Market Maker means trading prices should remain close to the NAV, adjusted for changes in value of the underlying securities during the ASX Trading Day.		Sections 5, 6
<b>Cooling-off</b>	There are no cooling-off rights applicable to the offers in this PDS or to trading of ETF Units on ASX.		
<b>Fees and other costs</b>			
<b>All investors</b>			Section 10
<b>Management costs</b>	<b>Fund</b>	<b>Management costs (% p.a.)</b>	
	<b>QHAL</b>	0.43	
	<b>REIT</b>	0.43	
Management costs are inclusive of GST and net of any reduced input tax credits and may be negotiated by wholesale clients.			
<b>Transactional and operational costs</b>	Additional costs relating to trading in the portfolios and associated operational activities will also apply – see section 10.3.		
<b>Authorised Participants only – also pay</b>			Section 10
<b>Transaction fees for creations and redemptions</b>	Contribution and withdrawal fees also apply for Authorised Participants per each creation and redemption transaction as set out in the table in section 10.2. Contribution and withdrawal fees may be negotiated and may change without notice.		
<b>Additional costs for cash transactions</b>	The estimated additional transactional and operational costs incurred by the Funds in relation to cash transactions are charged to Authorised		



	Participants as a buy/sell spread on creations and redemptions or recovered from APs by way of a true up following settlement.		
<b>Dividends</b>			
<b>Frequency</b>	<b>Fund</b>	<b>Expected frequency per year</b>	Section 12
	<b>QHAL</b>	Annually	
	<b>REIT</b>	Quarterly	
<b>Dividend Reinvestment Plan</b>	A Dividend Reinvestment Plan ( <b>DRP</b> ) is available subject to the DRP Rules. Dividends will be paid as cash to your nominated bank account unless you contact the Registrar and elect to have dividends reinvested. Your dividends will then appear as additional ETF Units in your account.		
<b>Additional information</b>			
<b>Website</b>	<p>The following information is available at <a href="http://www.vaneck.com.au">www.vaneck.com.au</a>:</p> <ul style="list-style-type: none"> <li>o Fund Net Asset Value;</li> <li>o Unit Price;</li> <li>o portfolio holdings;</li> <li>o number of ETF Units outstanding;</li> <li>o the current PDS, any supplementary PDS and notice of any changes that are not materially adverse to investors;</li> <li>o DRP Rules;</li> <li>o information about any dividends;</li> <li>o a link to any announcements lodged with the ASX Market Announcements Platform (including continuous disclosure notices);</li> <li>o any other disclosure that is made available or provided to Unitholders; and</li> <li>o annual reports and half-year reports (including financial statements).</li> </ul>		
<b>Statements</b>	<p>The following statements will be provided to investors:</p> <ul style="list-style-type: none"> <li>o holding statement – for any transactions made during the month;</li> <li>o annual tax statement including dividend information – after 30 June each year; and</li> <li>o periodic statement showing your transactions and investments in a Fund – sent annually and following your exit from the Fund.</li> </ul>		

# Section 4

## The AQUA Rules

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### 4.1 The AQUA Rules

ETF Units in each Fund 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 other products on ASX, providing issuers with access to ASX back office clearing and settlement services.

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

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

As a result, each Fund is expected to remain liquid. For more information see section 6 'How the Funds work'.

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

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

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

The value of 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.

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

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

Source: ASX Rules Framework

# Section 5

## Benefits of the Funds

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### 5.1 Reference Index strategy

In a single trade on ASX, each Fund gives investors a diversified portfolio of international companies, selected according to its Reference Index.

For more information on each Fund's Reference Index methodology see sections 8.1 and 8.2.

### 5.2 Exchange Traded Funds

Each Fund is an index-tracking ETF. ETFs provide investors with the best attributes of both managed funds and listed shares.

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

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

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

### 5.3 Access to international equities via ASX

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

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

### 5.4 Lower costs

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

As is the case when trading shares, Broker fees may also apply when buying or selling ETF Units on ASX. See section 10 for more information.

### 5.5 Diversification with a single trade

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

### 5.6 Liquidity

You can buy and sell ETF Units on ASX. Liquidity in 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.

### 5.7 Flexibility of trading on exchange

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

### 5.8 Transparency of holdings

The 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).

### 5.9 Currency hedging

We engage in currency hedging in the Funds with the aim of reducing the impact on the value of the ETF Units from fluctuations in the value of the Australian dollar relative to other foreign currencies in which the securities held in the Funds' portfolios are denominated.

The hedging strategy is expected to be highly effective but cannot entirely eliminate currency risk.

See sections 8.1, 8.2, 9.2.3 and 9.2.4 for more information.

# Section 6

## How the Funds work

### 6.1 Registered managed investment scheme

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

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

### 6.2 Primary and secondary markets

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

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

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

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

### 6.3 Rights of a Unitholder

Whether you invest in 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.

### 6.4 Roles and responsibilities

The key roles 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 Fund.
<b>Investment manager</b>	Manages the investment portfolio of the Fund in line with the Fund's investment strategy. At the date of this PDS, the investment manager is VanEck.
<b>Custodian</b>	Holds the assets of the Fund for safe-keeping on behalf of the Responsible Entity and Unitholders. Assets are segregated from the Custodian's assets or any other funds' assets.
<b>Fund Administrator</b>	Processes creations, redemptions and other requests from Unitholders and maintains the books and records of the Fund, including: fund accounting; calculating Unit Prices and taxation.
<b>Index Provider</b>	Develops and maintains the Reference Index that the Fund aims to track.
<b>Registrar</b>	Maintains the register of Unitholders including: names quantity of securities held, tax file numbers and DRP details; and issues correspondence to Unitholders on behalf of the Responsible Entity.
<b>Authorised Participant</b>	Transacts directly with the Responsible Entity to create (or redeem) ETF Units (primary market) to match demand from ASX Investors. In some cases also act as a Market Maker.
<b>Market Maker</b>	Subject to certain conditions, provides liquidity and volume in the Fund on ASX by acting as a seller and a buyer of ETF Units to/from ASX Investors (secondary market) throughout the ASX Trading Day. In some cases acts as an Authorised Participant in the primary market and then quotes the ETF Units on ASX for sale to ASX Investors.
<b>Proxy voting agent</b>	Specialist provider engaged by the Responsible Entity to conduct in-depth company research including ESG considerations and vote based on specified guidelines in the best interests of preserving shareholder value, as well as reporting and recordkeeping.

## Section 7

# Investment objective, strategy and performance of the Funds

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### 7.1 Investment objective of the Funds

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

- o differences in the timing of dividends and corporate actions between the Reference Index and the Fund;
- o the Fund may not be able to achieve the same trading price for securities as that determined for the Reference Index;
- o there are fees and other costs applicable to operating the Fund which do not apply to the Reference Index (see section 10);
- o international withholding tax rates applied to the Reference Index may differ to those applicable to the Fund;
- o the Fund will only hold securities that are listed on exchanges approved by ASX under the AQUA Rules;
- o we may allow individual security weightings to vary marginally from the Reference Index and may invest in securities that are not in the Reference Index. See section 7.2;
- o differences in the timing of currency hedging contracts between the Reference Index and the Fund; and
- o for creations and redemptions mid-month it may not be possible to exactly replicate the hypothetical hedged position in the Reference Index. See section 7.2.2.1; and
- o the Fund may hold a small amount of cash.

### 7.2 Investment strategy of the Funds

#### 7.2.1 Passive physical replication

Each Fund employs a passive management strategy of physically replicating the Reference Index by investing in the securities that comprise the Reference Index in proportion to their relative weightings in the Reference Index. QHAL will achieve this primarily by investing in the VanEck Vectors MSCI World ex Australia Quality ETF (ASX: QUAL). A Fund may also hold other securities determined by us as necessary to achieve a

Fund's investment objective and as permitted under the AQUA Rules.

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

The Funds will also invest in forward foreign exchange contracts with the aim of replicating the notional hedging in its Reference Index.

See sections 8.1 and 8.2 for more information on each Fund's Reference Index.

#### 7.2.2 Use of derivatives

##### 7.2.2.1 Currency hedging

Each Fund uses a currency hedging strategy to reduce the impact on the value of the ETF Units as a result of changes in the value of the Australian dollar relative to foreign currencies.

Each Fund follows its Reference Index by entering into rolling monthly forward foreign exchange contracts at the end of each month. As asset values in a Fund fluctuate during the following month the Fund (following the Reference Index) does not make any adjustments to this forward position. Over the long term the Funds are therefore expected to be relatively unaffected by currency fluctuations but the risk is not eliminated entirely.

See also sections 9.2.3 'Currency risk', 9.2.4 'Currency hedging implementation risk' and 10.3.1 'Management costs'.

##### 7.2.2.2 Futures

Futures traded on a licensed exchange may be used by the Funds in extraordinary circumstances to gain market exposure without investing directly in underlying securities in the Reference Index or for the purpose of short term management of certain cash flows with the intention of reducing tracking error risk. This allows VanEck to maintain 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 sections 9.2.7 'Tracking error risk' and 9.2.12 'Derivatives risk'.

**7.3 Performance information**

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). The performance of a Fund will differ from that of its Reference Index. For more information see sections 7.1 and 9.2.7.

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

**7.4 Borrowing arrangements**

VanEck may maintain borrowing arrangements on behalf of a Fund with the intention of reducing tracking error risk. For more information see sections 9.2.7, 10.3.2 and 14.2.7.

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

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

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

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

**7.6 Environmental, social and ethical considerations**

The Index Providers do not take into account labour standards or environmental, social or ethical considerations when selecting securities for the Reference Index. Accordingly the Fund does not take such matters into consideration when acquiring or realising investments, however, VanEck does consider ESG matters when exercising any proxy voting rights.

**7.7 Proxy voting**

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

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

**7.8 Securities lending**

The Funds will not engage in securities lending.

# Section 8.1

## Reference Index – QHAL

Reference Index	MSCI World ex Australia Quality 100% Hedged to AUD Index
<b>Index Provider</b>	MSCI Limited. ('MSCI'). MSCI is not a related body corporate of VanEck.
<b>Overview</b>	<p>The Reference Index is based on a traditional Market Capitalisation-weighted parent index, the MSCI World ex Australia Index (the '<b>Parent Index</b>'), which includes large- and mid-capitalisation stocks.</p> <p>The Reference Index aims to capture the performance of quality growth stocks selected from the Parent Index. The Reference Index reweights the selected quality growth stocks from the Parent Index to emphasise stocks with the highest quality scores. The components, sectors and countries represented in the Reference Index will change over time.</p>
<b>Calculation methodology</b>	<p>A four step process is followed to determine the Reference Index:</p> <ol style="list-style-type: none"> <li>1. The eligible universe of securities is defined as the securities in the Parent Index.</li> <li>2. A quality score is calculated for each security in the universe based on the following fundamental variables: <ol style="list-style-type: none"> <li>a) return on equity;</li> <li>b) earnings variability; and</li> <li>c) debt to equity ratio.</li> </ol> <p>If all three variables are available, a quality score for each security is calculated based on the average scores for the three variables. If (a) is negative or unavailable, the security is ineligible for inclusion. If (a) is positive and (b) or (c) is unavailable, the quality score is calculated based on the 2 available variables. If (a) is positive but both (b) and (c) are unavailable, the security is ineligible for inclusion.</p> </li> <li>3. The securities are ranked by quality score and a fixed number required to cover 30% of the Market Capitalisation of the Parent Index rounded up to the nearest 25 are selected, with the aim of attaining a high exposure to the quality factor, while maintaining sufficient Market Capitalisation and number of securities coverage. Individual issuer weight is capped at 5%. At the date of issue of this PDS, there were 300 securities in the Reference Index.</li> <li>4. Securities eligible for inclusion are weighted as follows: <math display="block">\text{Quality weight} = \text{Quality score} \times \text{Market Capitalisation weight in the Parent Index}</math> </li> </ol>
<b>Currency hedging</b>	<p>MSCI reduces the exposure of the Reference Index to foreign exchange rate fluctuations between the Australian dollar and currencies in which the constituents are denominated by notionally entering into forward foreign exchange contracts on a rolling one-month basis at the end of each month. The Reference Index is not fully hedged and retains some exposure to currency movements. For more information see sections 7.2.2.1 '<i>Currency hedging</i>', 9.2.3 '<i>Currency risk</i>', 9.2.4 '<i>Currency hedging implementation risk</i>' and 10.3.1 '<i>Management costs</i>'.</p>
<b>Rebalances</b>	<p>The Reference Index is rebalanced on a semi-annual basis, usually as of the close of the last business day of May and November. The quality scores are recalculated at the end of April and October and used for May and November rebalances respectively. The updated Reference Index is generally announced nine business days before the effective date.</p>
<b>More information</b>	<a href="http://www.msci.com">www.msci.com</a>



**MSCI – the Index Provider**

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

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## Section 8.2

### Reference Index – REIT

Reference Index	FTSE EPRA NAREIT Developed ex Australia Rental Index AUD Hedged
<b>Index Provider</b>	FTSE International Limited. ('FTSE'). FTSE is not a related body corporate of VanEck.
<b>Overview</b>	The securities in the Index are real estate investment trusts (REITs) and companies that own real estate assets that derive a significant portion of their EBITDA from rental income and are listed on exchanges in the world's major developed economies.
<b>Calculation methodology</b>	<p>Below is a general overview of the process FTSE follows to determine the Reference Index constituents:</p> <ol style="list-style-type: none"> <li>1. The eligible universe of securities is the FTSE Global All Cap Index with 7900 constituents;</li> <li>2. FTSE screens the eligible universe to include only companies in ICB Supersector Real Estate, ICB Subsector Heavy Construction, or ICB Subsector Home Construction. Additional companies may be included with guidance from EPRA, Nareit and the Regional Advisory Committee;</li> <li>3. Only companies which derived in the previous full financial year at least 75% of total EBITDA from ownership, trading and development of income-producing real estate are included;</li> <li>4. A company must be classified as Rental to be included in the Index. To be classified as Rental the EBITDA or revenue from properties must be greater than or equal to 70% of the total EBITDA or revenue both years individually of a two year period.</li> <li>5. Size thresholds for both new and continued membership are applied at each quarterly review (based on a percentage of their respective region's investable market cap).</li> <li>6. A liquidity screen is conducted semi-annually in March and September based on each security's monthly median daily trading.</li> </ol>
<b>Currency hedging</b>	FTSE reduces the exposure of the Reference Index to foreign exchange rate fluctuations between the Australian dollar and currencies in which the constituents are denominated by notionally entering into forward foreign exchange contracts on a rolling one-month basis at the end of each month. The Reference Index is not fully hedged and retains some exposure to currency movements. For more information see sections 7.2.2.1 ' <i>Currency hedging</i> ', 9.2.3 ' <i>Currency risk</i> ', 9.2.4 ' <i>Currency hedging implementation risk</i> ' and 10.3.1 ' <i>Management costs</i> '.
<b>Rebalances</b>	The Reference Index is reviewed and rebalanced on a quarterly basis, usually as of the close of the third Friday of March, June, September and December. The Reference Index constituents will be compiled using data available after the close of business on the Monday 4 weeks prior to the rebalancing effective date.
<b>More information</b>	Further information about the Reference Index and FTSE is available at <a href="http://www.ftserussell.com">www.ftserussell.com</a>

**FTSE Disclaimer**

VanEck Vectors FTSE International Property (Hedged) ETF is not in any way sponsored, endorsed, sold or promoted by FTSE International Limited or the London Stock Exchange Group companies (**LSEG**) (together the **Licensor Parties**) and none of the Licensor Parties make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to (i) the results to be obtained from the use of the FTSE EPRA Nareit Developed ex Australia Rental Hedged into AUD Index (the **Reference Index**) upon which the VanEck Vectors FTSE International Property (Hedged) ETF is based, (ii) the figure at which the Reference Index is said to stand at any particular time on any particular day or otherwise, or (iii) the suitability of the Reference Index for the purpose to which it is being put in connection with the VanEck Vectors FTSE International Property (Hedged) ETF. None of the Licensor Parties have provided or will provide any financial or investment advice or recommendation in relation to the Reference Index to VanEck or to its clients. The Reference Index is calculated by FTSE or its agent. None of the Licensor Parties shall be (a) liable (whether in negligence or otherwise) to any person for any error in the Reference Index or (b) under any obligation to advise any person of any error therein. All rights in the Reference Index vest in FTSE. "FTSE®" is a trade mark of LSEG and is used by FTSE under licence.

# Section 9

## Risks

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### 9.1 What is risk?

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

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

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

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

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

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

### 9.2 Risks associated with the Funds

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

### 9.2.1 Market risk

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

### 9.2.3 Currency risk

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

Each Fund employs a currency hedging strategy to mitigate this risk, although it cannot be entirely eliminated. See sections 7.2.2.1 'Currency hedging' and 9.2.4 'Currency hedging implementation risk' for more information.

### 9.2.4 Currency hedging implementation risk

This is the risk that a Fund cannot implement the same hedging strategy as its Reference Index due to timing differences and the volatility of currency

and securities markets. For more information see sections 7.1 'Investment objective of the Funds' and 9.2.7 'Tracking error risk'.

#### **9.2.5 Dividend risk**

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

#### **9.2.6 Concentration risk**

There is a risk that a Fund's assets are concentrated in a particular market sector or country.

REIT's assets are concentrated in securities in the property sector or industry as determined by the Reference Index. REIT is therefore subject to the risk that economic, political or other conditions that have a negative effect on the property industry and sector will negatively impact the value of the Fund to a greater extent than if the Fund's assets were invested in a wider variety of sectors or industries.

Assets in the Funds are concentrated in securities listed in the United States. Each Fund is therefore subject to the risk that economic, political or other conditions that have a negative effect on the United States will negatively impact the value of the Fund to a greater extent than if the Fund's assets were invested in a wider variety of countries.

#### **9.2.7 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 its 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 7.1 for more information.

#### **9.2.8 ASX 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.

#### **9.2.9 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.

#### **9.2.10 Market Maker risk**

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

#### **9.2.11 Trading price risk**

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

#### **9.2.12 Derivatives risk**

Derivatives are used by the Funds as described in section 7.2.2. Derivatives derive their value from the performance of a reference asset, for example a foreign currency exchange rate, a share, a market index, interest rate or foreign currency 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 9.2.20 '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.

#### **9.2.13 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.

#### **9.2.14 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 be terminated. For more information see sections 7.1 'Investment objective of the Funds' and 9.2.7 'Tracking error risk'.

#### **9.2.15 Operational risk**

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

#### **9.2.16 Force majeure**

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

#### **9.2.17 Regulatory and tax risk**

A Fund, the investments of the Fund and the tax consequences for Unitholders investing in the

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

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

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

#### **9.2.18 Foreign markets closure risk**

This is the risk that foreign markets in which securities held by the Fund are traded are closed at times which differ from ASX non-trading days. The difference in trading times may adversely impact liquidity, individual security valuations and tracking error. See section 9.2.7 for more information.

#### **9.2.19 Settlement risk**

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

#### **9.2.20 Counterparty risk**

This is the risk that a Funds' trading counterparties become insolvent or cannot otherwise meet their obligations to the Fund. A Fund may be exposed to counterparty risk through the use of futures. This risk is mitigated by only investing in futures on a licensed futures exchange. For more information see sections 7.2.2.2 and 9.2.12.

### **9.3 WARNING STATEMENT FOR NEW ZEALAND INVESTORS**

The following disclosure is made to enable to the ETF Units to be offered to investors in New Zealand under the mutual recognition scheme between Australia and New Zealand:

1. This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the *Corporations Act 2001* (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the *Financial Markets Conduct Act 2013* and Part

9 of the *Financial Markets Conduct Regulations 2014*.

2. This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the *Corporations Act 2001 (Aust)* and the regulations made under that Act set out how the offer must be made.
3. There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.
4. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.
5. Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.
6. The taxation treatment of Australian financial products is not the same as for New Zealand financial products.
7. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

### **Currency exchange risk for New Zealand investors**

1. The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.
2. If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

### **Trading on a financial product market**

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

### **Dispute resolution process**

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

# 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>		
<b>Establishment fee:</b> The fee to open your investment	Nil	Not applicable
<b>Contribution fee:</b> The fee on each amount contributed to your investment	Nil	Not applicable
<b>Withdrawal fee<sup>2</sup>:</b> The fee on each amount you take out of your investment	Nil <sup>2</sup>	Not applicable
<b>Exit fee:</b> The fee to close your investment	Nil	Not applicable
<b>Management costs<sup>3</sup></b>		
The fees and costs for managing your investment		Management costs are 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. Management costs may be negotiated by wholesale clients.
<b>QHAL</b>		
Management fee	0.03 % p.a.	
Indirect costs (QUAL management costs)	<u>0.40 % p.a.</u>	
Total management costs	0.43 % p.a.	
<b>REIT</b>		
Management fee	0.43 % p.a.	
Indirect costs	Nil	
Total management costs	0.43 % p.a.	
<b>Service fees</b>		
<b>Switching fee:</b> The fee for changing investment options	Nil	Not applicable

1 All fees and costs are inclusive of goods and services tax (GST) and net of any reduced input tax credits (RITC). A worked dollar example is shown below. Other fees and costs may apply. See section 10.3 for more information.

2 Except in limited circumstances ASX Investors are not eligible to redeem ETF Units with VanEck directly. See section 14.2.11 for more information.

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

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

This table gives an example of how the fees and costs for each of the Funds can affect your investment over a one year period. You should use this table to compare these products with other managed investment products.

EXAMPLE: APPLIES TO BOTH QHAL AND REIT		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	0.43 % p.a. <sup>1</sup>	<b>And</b> , for every \$50,000 you have in the Fund you will be charged \$215 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>\$215 to \$236.50<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 10.3.3 for more information.

2 This example assumes that the investment amount of \$50,000 does not rise or fall in value and remains invested for a full year. The maximum fee assumes the additional investment amount of \$5,000 was invested on the first day of the year and remains invested for the full year.

## 10.2 Fees and costs for Authorised Participants

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>		
<b>Establishment fee:</b> The fee to open your investment		Not applicable
All Funds	Nil	
<b>Contribution fee<sup>2,3</sup>:</b> 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. The amount of these costs may be negotiated.
<b>QHAL</b>	\$3,500	
<b>REIT</b>	\$3,100	
<b>Withdrawal fee<sup>2,3</sup>:</b> 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. The amount of these costs may be negotiated.
<b>QHAL</b>	\$3,500	
<b>REIT</b>	\$3,100	
<b>Exit fee:</b> The fee to close your investment		Not applicable
All Funds	Nil	
<b>Management costs<sup>3</sup></b>		
The fees and costs for managing your investment		The management cost is 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. The management cost may be negotiated.
<b>QHAL</b>		
Management fee	0.03 % p.a.	
Indirect costs (QUAL management costs)	<u>0.40 % p.a.</u>	
Total management costs	0.43 % p.a.	
<b>REIT</b>		
Management fee	0.43 % p.a.	
Indirect costs	<u>Nil</u>	
Total management costs	0.43%	
<b>Service fees</b>		
<b>Investment switching fee:</b> The fee for changing investment options.		Not applicable
All Funds	Nil	

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

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

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

### 10.3 Additional explanation of fees and costs

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

#### 10.3.1 Management costs

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

The fees and other costs of managing and operating the Funds stated in this PDS include

indirect costs paid from the Funds' assets that we know or reasonably estimate will reduce the Funds' investment returns. For QHAL this includes the management costs charged by QUAL which QHAL invests in to obtain exposure to the Reference Index constituents.

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

VanEck pays the ongoing normal recoverable expenses associated with the management and

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

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

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

### 10.3.2 Transactional and operational costs

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

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

- o brokerage and settlement charges;
- o execution costs for spot and forward foreign exchange contracts; and
- o borrowing costs and interest expense.

### Costs on creations and redemptions

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

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

- o a buy/sell spread covering an estimate of the costs included with the transaction, which we notify to APs electronically from

time to time. The actual costs may differ from our estimate. Any shortfall is borne by the Funds and any excess is retained by the Funds. We expect these amounts to net off over a 12 month period; or

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

### Other transactional and operational costs

Other transactional and operational costs are incurred in association with trading and currency hedging activity in a Fund's portfolio with the aim of achieving its investment objective. These costs are an additional cost to all Unitholders and will be paid out of the assets of the Fund and reflected in the Fund's Unit Price as and when they arise.

Based on the information available at the date of this PDS, we estimate that the transactional and operational costs incurred by Unitholders during the Funds' first financial year (on an annualised basis) will be as follows:

Fund	Transactional and operational costs p.a	Cost per \$50,000 p.a.
QHAL*	0.17 %	\$85
REIT	0.13 %	\$65

\*Includes the transactional and operational costs incurred as a result of investing in QHAL.

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

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

### 10.3.4 Broker fees

ASX Investors should obtain advice from a financial adviser before investing in 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.

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

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

### **10.3.5 Abnormal expenses**

Abnormal expenses are management costs not generally incurred in the day-to-day operations of the 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 cost caps set out in sections 10.1 and 10.2 and may be recovered from the assets of a Fund and accounted for in the Unit Price of that Fund as and when they arise. The abnormal expenses incurred by the Funds for the previous financial year were: Nil.

### **10.3.6 Notification of changes to fees**

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

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

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

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

### **10.3.7 Related party payments**

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

### **10.3.8 Commissions and other benefits received**

We, our related parties and associates, may receive commissions and other benefits (e.g. research) from brokers effecting trades for the 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

## Transacting with VanEck

### 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 procedures do not apply to ASX Investors who may trade ETF Units on ASX via a Broker in the same way they trade listed shares.**

#### 11.1 For APs prior to transacting

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

#### 11.2 Applications by Authorised Participants

Unless we agree otherwise, applications for creations and redemptions of ETF Units may only be made by Authorised Participants by completing the Application Form and delivering it to us by 2pm on an ASX Trading Day. We may accept or reject applications in a different form at our discretion. We may, in our sole discretion and without giving any reason, accept or reject all or part of an application for a creation or redemption.

#### 11.3 Standard Basket Transactions

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

A Standard Basket for a Fund may consist of: securities in the Reference Index and for QHAL will generally be units in QVAL; and any other securities determined by VanEck as necessary to achieve the Fund's investment objective.

The Standard Basket is available on request.

#### 11.4 Minimum transaction sizes for APs

Applications for creations and redemptions by Authorised Participants can only be made in multiples of Creation Units or Redemption Units respectively, unless we agree otherwise. The number of ETF Units in a Creation Unit and Redemption Unit are set out in the table below. ASX Investors should check with their Broker for any minimum trade size on ASX.

#### Minimum transaction sizes for APs

Fund	One Creation Unit / Redemption Unit (ETF Units)
QHAL	140,000
REIT	120,000

#### 11.5 Processing applications

All applications for creations and redemptions will be processed in accordance with the AP Procedures taking into account ASX Rules and foreign laws, regulatory and exchange settlement requirements. Settlement in respect of applications and redemptions generally occurs on the second ASX Trading Day after the effective trade date (T+2) in line with the relevant ASX Rules. This rule also applies to ASX Investors.

#### 11.6 Cooling-off

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

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

The redemption of ETF Units assumes that 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 dividend period when we are calculating and paying dividends; and
  - b. during the period we are rebalancing the portfolio to the Reference Index; or
2. on days on which foreign stock exchanges are closed; or
3. in circumstances, such as adverse market conditions, where we determine it is not possible to accurately calculate Unit Prices.

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

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

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

## 11.9 Valuations and pricing

### 11.9.1 Unit Price or NAV

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

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

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

The NAV for QHAL is calculated daily based on the NAV for QUAL. It is then converted to Australian dollars based on the relevant London WM Reuters 4pm exchange rate.

The NAV for REIT is calculated daily once all markets are closed for that day based on the closing price of the securities on the relevant foreign stock exchange. It is then converted to Australian dollars based on the relevant London WM Reuters 4pm exchange rate.

This means, due to Australia's time zone, that the NAVs for the Funds will not be available at [www.vaneck.com.au](http://www.vaneck.com.au) until the Business Day following the Trading Days to which they relate.

### 11.9.2 Creation and redemption prices

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

### 11.9.3 Redemption amounts

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

### 11.9.4 Investing via the ASX

ASX Investors trade ETF Units at trading prices quoted on ASX throughout each ASX Trading Day. The presence of a Market Maker means trading prices should remain close to the NAV, adjusted for estimated or actual changes in the value of the underlying securities and foreign exchange movements as calculated by the Market Marker during the ASX Trading Day.

# Section 12

## Dividends

### 12.1 Payment of dividends

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

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

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

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

### 12.2 Frequency of dividends

The Funds generally pay dividends the following number of times each year.

Fund	Number of dividends per year
QHAL	One
REIT	Four

We may pay more or fewer dividends at our discretion. Payments are usually made within 21 days after the end of the dividend period. Dividends will be paid as cash to your nominated bank account unless you elect to participate in the Dividend Reinvestment Plan.

### 12.3 Dividend Reinvestment Plan

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

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

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

# Section 13

## Tax

### IMPORTANT NOTICE

**The Australian tax commentary in this PDS is provided for general information only. This information is necessarily general in nature and does not take into account the specific circumstances of any person who may invest in a Fund. 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

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

The Funds may incur foreign withholding tax on their income. These amounts will generally reduce the amount of Australian tax payable on any dividends you receive.

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 during which you are invested. The tax statement will contain information you need for your tax return.

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

### 13.2 TFN/ABN/Exemption

You will be asked to provide your tax file number (**TFN**) or Australian Business Number (**ABN**) or claim an exemption in relation to your investment in 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 any dividends at the highest marginal rate and remitted to the Australian Taxation Office (**ATO**). These amounts will be credited to you when you lodge your tax return.

### 13.3 Taxation of Foreign Investors

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



# Section 14

## Other information you need to know

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

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

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

### 14.2 The Constitution

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

Under the Constitution, VanEck has all the powers of a natural person, corporation, trustee or Responsible Entity in respect of the operation of the Fund. The Constitution gives VanEck the right to be paid fees and expenses from the 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 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, VanEck has the power to enter into borrowing arrangements on behalf of a 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. The costs of any borrowing are borne by the Fund. See 10.3.2.

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

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

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

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

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

In certain circumstances under the Constitution, VanEck may compulsorily redeem some or all of the ETF Units issued to a Unitholder, including where we believe ETF Units are held in breach of the Constitution or an applicable law or

regulation, or the holding will otherwise adversely affect 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 a 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:

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

### **OTHER INFORMATION**

#### **14.3 Compliance plan**

VanEck has lodged a compliance plan for 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 a compliance committee which comprises at least three members, of which the majority are external members. The compliance committee monitors VanEck's 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 CHES**

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

#### **14.6 Market Maker**

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

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

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

#### **14.8 Index Providers**

VanEck has obtained license to use the Reference Indices for the Funds from MSCI and FTSE respectively. Please refer to sections 8.1 and 8.2 for a full description of the Reference Indices and Index Providers. MSCI and FTSE have given and as at the date of this PDS have not withdrawn their consent to the statements in sections 8.1 and 8.2 of this PDS.

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

VanEck has appointed State Street Australia Limited as the Custodian and Fund Administrator of the Funds.

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

#### **14.10 Registrar**

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

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

Link has had no involvement in the preparation of any part of this PDS other than being named as the Registrar for the 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 is 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 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) as soon as practicable after they are filed with ASIC.

#### **14.13 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 dividend. Any interest earned on such cash will be retained by the Registrar.

#### **14.14 Investor identification and verification**

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

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

Please contact us to obtain a copy of the investor identification form which sets out further details of

the information and identification that is required. Failure to provide all the information requested may cause your application to be delayed or rejected. We do not accept any liability for any loss you may incur (whether by delay in acceptance of an application, transaction processing or otherwise), arising from the application of our ID Procedures.

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

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

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

#### **14.16 Complaints**

VanEck has arrangements in place for handling complaints. If you have a complaint regarding 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  
Aurora Place, Level 4, Suite 4.03  
88 Phillip Street, Sydney NSW 2000  
Telephone: (02) 8038 3300  
Email: [complaints@vaneck.com.au](mailto:complaints@vaneck.com.au)

If we are unable to resolve the complaint or you are dissatisfied with the outcome you can contact an independent external dispute resolution service to assist resolve the complaint. The Australian Financial Complaints Authority (AFCA) is an independent body approved by ASIC to consider complaints.

In order for a complaint to be considered by AFCA, the claim must not exceed \$1,000,000. The maximum amount per claim that may be awarded by an AFCA Decision Maker for complaints relating to VanEck's funds (not including awards of costs or interest) is \$500,000.

AFCA can be contacted as follows:

Online: [www.afc.org.au](http://www.afc.org.au)

Email: [info@afc.org.au](mailto:info@afc.org.au)

Phone: 1800 931 678

Mail: GPO Box 3 Melbourne VIC 3001

#### 14.17 Privacy Notice

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

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

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

- o our service providers, related bodies corporate or other third parties for the purpose of account maintenance and administration and the production and mailing of statements, such as share registries,

custodians, accountants and auditors of the 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:

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

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

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

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

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

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

To access, update or seek correction of your personal information, please speak to your Broker or contact the Registrar directly on 1300 68 38 37 (toll free), or in writing addressed to:

Link Market Services Limited,  
Locked Bag A14,  
Sydney South, NSW, 1235.

#### 14.18 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:

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

#### *Declaration – relevant interest in ETF assets*

ASIC has granted Class Order relief under section 655A(1) and section 673(1) of the *Corporations Act* by modifying section 609 of the *Corporations Act* to ensure that the ability to lodge a redemption request under the redemption facility offered by an ETF does not by itself give Authorised Participants a relevant interest in the securities held by 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 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>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 request creations and redemptions of ETF Units attached to the AP Procedures or available by phoning +61 2 8038 3317.
<b>AQUA Rules</b>	Schedule 10A of the ASX Operating Rules and related rules and procedures, as amended, varied or waived from time to time.
<b>ASIC</b>	The Australian Securities and Investments Commission
<b>ASX</b>	The Australian Securities Exchange operated by ASX Limited
<b>ASX Investors</b>	Unitholders who acquire ETF Units on ASX.
<b>ASX Rules</b>	The Operating Rules, Settlement Operating Rules and any other applicable rules and procedures as issued, amended, varied or waived by ASX Limited from time to time.
<b>ASX Trading Day</b>	A day that ASX is open for trading.
<b>ATO</b>	The Australian Taxation Office
<b>AUSTRAC</b>	The Australian Transaction Reports and Analysis Centre
<b>Authorised Participant or 'AP'</b>	<ol style="list-style-type: none"> <li>1. A person who:           <ol style="list-style-type: none"> <li>(a) is a Trading Participant; or</li> <li>(b) has engaged a Trading Participant to act on its behalf to acquire and dispose of interests in the Fund; and</li> </ol> </li> <li>2. who has entered into an authorised participant agreement with the Responsible Entity.</li> </ol>
<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 varied or replaced from time to time.
<b>Corporations Act</b>	The <i>Corporations Act 2001 (Cth)</i>
<b>Creation Unit</b>	The minimum number of ETF Units that must be applied for in 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>	State Street Australia Limited ABN 21 002 965 200

<b>Dividend Reinvestment Plan or DRP</b>	The plan available to Unitholders to have any dividends by a Fund reinvested in additional ETF Units to be credited to their account, instead of receiving a cash payment to their nominated Australian bank account.
<b>DRP Rules</b>	The rules relating to a Unitholder's participation in the DRP a copy of which are available at <a href="http://www.vaneck.com.au">www.vaneck.com.au</a> .
<b>EBITDA</b>	Earnings before interest, tax, depreciation and amortisation expenses
<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>	An open-ended managed fund, units in which are traded on ASX under the AQUA Rules, which generally tracks the value of an underlying index.
<b>Foreign Investor</b>	A person who is not an Australian resident for income tax purposes.
<b>FTSE</b>	FTSE International Limited, the Index Provider for REIT. See section 8.2 for more information.
<b>Fund</b>	Any one of the ETFs named on the front cover of this PDS as the context requires.
<b>Fund Administrator</b>	State Street Australia Limited ABN 21 002 965 200
<b>Fund Net Asset Value</b>	The total value of all of the assets of a Fund minus the total value of all of the liabilities and provisions of that Fund.
<b>ICB</b>	Industry Classification Benchmark taxonomy owned by FTSE International. The ICB is used globally to divide the market into increasingly specific categories, allowing investors to compare industry trends between well-defined subsectors. It uses a system of 10 industries, partitioned into 19 supersectors, which are further divided into 41 sectors, which then contain 114 subsectors.
<b>Index Provider</b>	Respectively: MSCI for QHAL and FTSE for REIT
<b>Market Capitalisation</b>	The total value of the issued shares of a publicly traded company. It equals the share price times the number of shares on issue.
<b>Market Maker</b>	An institution appointed by VanEck to assist it in maintaining liquidity of trading of the ETF Units on ASX. A Market Maker may also be an Authorised Participant. For more information see section 14.6.
<b>MSCI</b>	MSCI Limited, the Index Provider for QHAL. See section 8.1 for more information.
<b>NAV</b>	See Unit Price
<b>Non-Standard Transaction</b>	A creation or redemption other than a Standard Basket Transaction.
<b>PDS</b>	Product disclosure statement.
<b>QHAL</b>	VanEck Vectors MSCI World ex Australia Quality (Hedged) ETF ARSN 631 507 563
<b>QUAL</b>	VanEck Vectors MSCI World ex Australia Quality ETF ARSN 601 798 172. A copy of QUAL's PDS is available at <a href="http://www.vaneck.com.au/qual">www.vaneck.com.au/qual</a>
<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 track. For more information see sections 8.1 and 8.2.
<b>Registrar</b>	Link Market Services Limited ABN 54 083 214 537
<b>REIT</b>	VanEck Vectors FTSE International Property (Hedged) ETF ARSN 631 508 248
<b>Responsible Entity</b>	The 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.
<b>Standard Basket</b>	A Standard Basket for a Fund may consist of: securities in the Reference Index and for QHAL will generally be units in QUAL; and any other securities determined by VanEck as necessary to achieve the Fund's investment objective. The Standard Basket is available on request.
<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>Trading Participant</b>	Has the meaning defined in the ASX Rules.
<b>Unit Price or NAV</b>	The Fund Net Asset Value divided by the number of ETF Units outstanding.
<b>Unitholder</b>	The person named as the holder of ETF Units in a Fund as recorded in the register maintained by the Registrar.
<b>VanEck</b>	VanEck Investments Limited ABN 22 146 596 116 AFSL 416755.

# Corporate directory

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## **Responsible Entity**

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

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

## **VanEck Capital Markets**

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

## **Legal Advisers**

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

## **Registrar**

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

## **Auditor**

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

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