

Marketing Communication

VanEck Video Gaming and eSports UCITS ETF Index Replacement

31st October 2022

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What exactly will happen?

Sustainable Finance Disclosure Regulation (SFDR) classification will be updated for the following VanEck ETF, subject to shareholder approval:

VanEck Video Gaming and eSports UCITS ETF (IE00BMC38736), the “Fund”, which comprises companies deriving revenues from activities related to Video Games and eSports. Following the upcoming transition to an index that **incorporates ESG screening**. As of **16 December 2022** the Fund will be categorized as a product promoting environmental and socially characteristics in accordance with **Article 8 SFDR**.

Why was the change initiated?

There are two main reasons why VanEck is increasingly pursuing ESG integration for its funds:

- VanEck experiences an increasing demand for sustainable investment solutions and we expect that the demand for the funds incorporating ESG criteria will substantially increase going forward whereas the demand for the funds, that don't incorporate ESG considerations in portfolio construction process will lag.
- VanEck's ambition is to improve its sustainable footprint by increasingly focusing product development efforts in investment strategies promoting environmental and social characteristics. The transition to solutions incorporating sustainability considerations¹ will allow investors to maintain thematic exposure, while at the same time excluding companies violating certain **Environmental, Social or Governance** standards.

In light of the aforementioned reasons, VanEck believes that it is in the interest of the investors of the VanEck Video Gaming and eSports UCITS ETF to perform the index transition and to incorporate ESG factors into the Fund investment policy.

What does the change to the new index mean for the Fund?

Starting close of 16 December 2022, the Fund will transition to an index that applies ESG screening in its selection process in addition to revenue thresholds incorporated in the index to select the relevant companies for the gaming and e-Sports themes. For more details on the exact filters applied, please see the list below.

List of ESG exclusions applied to the new index:

- Companies with very severe social norms violations according to ISS research;

¹ The Fund does not have sustainable investment as its investment objective as per SFDR Art. 9.

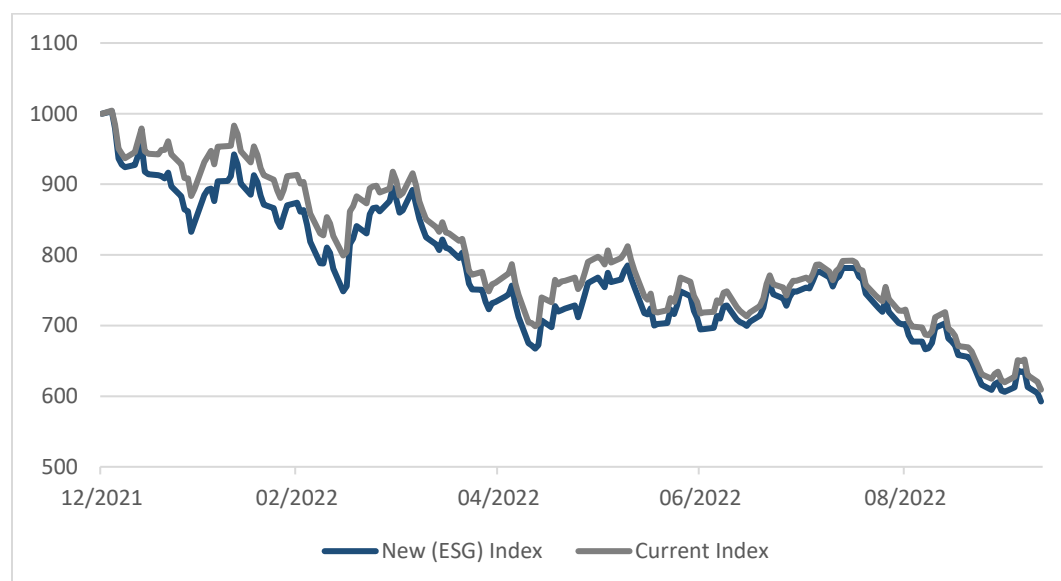
- Companies that have greater than 0% revenue exposure to controversial weapons, including, among others: Anti-personnel Mines, Biological Weapons, Chemical Weapons, Cluster Munitions, Depleted Uranium, Nuclear Weapons, Incendiary Weapons and White Phosphorus;
- Companies that exceed 5% threshold of revenue exposure to various sectors including, but not limited to, civilian firearms, tobacco, military equipment and energy extractives (such as Thermal Coal, Fossil Fuels, Oil Sands and Nuclear Power).

Companies that are not covered by ISS or for which relevant data fields are not collected by ISS may be eligible for inclusion.

What is the difference between the current index and the new index?

At the close of 16 December 2022, the **MarketVector™ Global Video Gaming & eSports ESG Index** (“New Index”) will replace **MVIS® Global Video Gaming & eSports Index** (“Current Index”) as the underlying index of the Fund. The index characteristics compare to each other in the following way:

- **YTD Performance²** – the current index slightly outperformed the new ESG index with returns correlation at 98.8%



- **Top 10 Stocks²** – there is almost no difference in weights between the two indexes

Company	New (ESG) Index Weight	Current Index Weight
NVIDIA CORP	7.6%	7.6%
TENCENT HOLDINGS LTD	7.4%	7.4%
NINTENDO CO LTD	7.0%	7.0%
ACTIVISION BLIZZARD	7.0%	7.0%

² Source: MarketVector, as of 12 October 2022. Performance quoted represents past performance of the Indices. Past performance does not predict future results. An index performance is not illustrative of the Fund's performance. It is not possible to invest directly in an index: indices are not securities in which investments can be made.

ADVANCED MICRO DEVICES	5.7%	5.7%
ELECTRONIC ARTS	5.4%	5.4%
NETEASE-ADR	5.2%	5.2%
BANDAI NAMCO HOLDINGS	5.0%	5.0%
SEA LTD	5.0%	5.0%

- **Differences in the composition²**

The New Index would include the following additional companies:

Company	New (ESG) Index Weight
GAMESTOP CORP	3.7%
KRAFTON	2.7%
KAKAO GAMES CORP	0.8%

and the following companies are not included into the New Index due to the ESG screening and Historical Application of Market Cap coverage and Buffer Rules:

Company	Current Index Weight
UBISOFT ENTERTAINMENT	2.2%
CD PROJEKT RED	1.3%
NETMARBLE CORP	0.6%

- **Fundamental Profile³** – the two indices demonstrate relatively similar valuation and dividend characteristics:

Indicator	New (ESG) Index	Current Index
Trailing Price/Earnings Ratio	42.57	42.3
Price/Book	3.42	3.48
Price/Sales	4.11	4.13
Price/Cash Flow	17.31	16.15
Dividend Yield	0.89	0.94

What is the timeline for the change?

Subject to shareholder approval, the index replacement will become effective for the Fund on the rebalancing date at close of trading 16 December 2022.

How can I contact VanEck?

If you have any queries concerning the matters outlined in this FAQ page, please contact your local agent, or (if none) VanEck at EMEAsales@vaneck.com.

³ Source: MarketVector, data as of 30 September 2022.

About VanEck

VanEck is a privately held global asset management firm founded in 1955. VanEck offers forward-looking, intelligently designed strategies that seek to strengthen a long-term investment portfolio to individual investors and institutions across a range of vehicles including mutual funds (retail and institutional shares), pooled institutional funds, variable insurance portfolios, sub-advisory portfolios, separate accounts, exchange traded funds (“ETFs”) and UCITS funds.

VanEck’s approach is to think outside the confines of financial markets as they exist today and identify what major historical trends – e.g. geopolitical and technological – will change the opportunity set of these markets. Being one of the first to offer investors access to international markets in 1955 set the tone for the Firm’s drive to identify and define investment trends. VanEck manages both active and ETF portfolios.

The Firm’s index-based VanEck ETFs are purpose-built, aimed at either providing exposure to asset classes that are underrepresented in investor portfolios or offering a different approach to established investment categories. VanEck has been offering its ETFs since 2006 when the Firm launched the first gold-mining ETF in the U.S. Today, the Firm offers over 100 ETFs globally spanning regional equity, global resources equity, sustainable equity, strategic equity, equity income, emerging markets, industry, government bonds, corporate bonds and digital assets.

The Firm’s headquarters is in New York, NY and has international offices in Switzerland, Netherlands, Germany, Australia, Singapore and China.

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VanEck Asset Management B.V., the management company of VanEck Video Gaming and eSports UCITS ETF (the "ETF"), sub-funds of VanEck UCITS ETFs plc, a UCITS management company incorporated under Dutch law registered with the Dutch Authority for the Financial Markets (AFM). The ETF is registered with the Central Bank of Ireland and tracks an equity index. The value of the ETF's assets may fluctuate heavily as a result of the investment strategy. If the underlying index falls in value, the ETF will also lose value.

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Investors must read the sales prospectus and key investor information before investing in a fund. These are available in English and the KIIDs in certain other languages as applicable and can be obtained free of charge at www.vaneck.com, from the Management Company or from the local information agent.

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