

An aerial view of a city skyline at dusk, featuring numerous skyscrapers with illuminated windows. A large, dark blue geometric shape, resembling a stylized 'V' or a shield, is overlaid on the left side of the image, partially obscuring the city view.

VanEck®

28 November 2024

VanEck Defense UCITS ETF

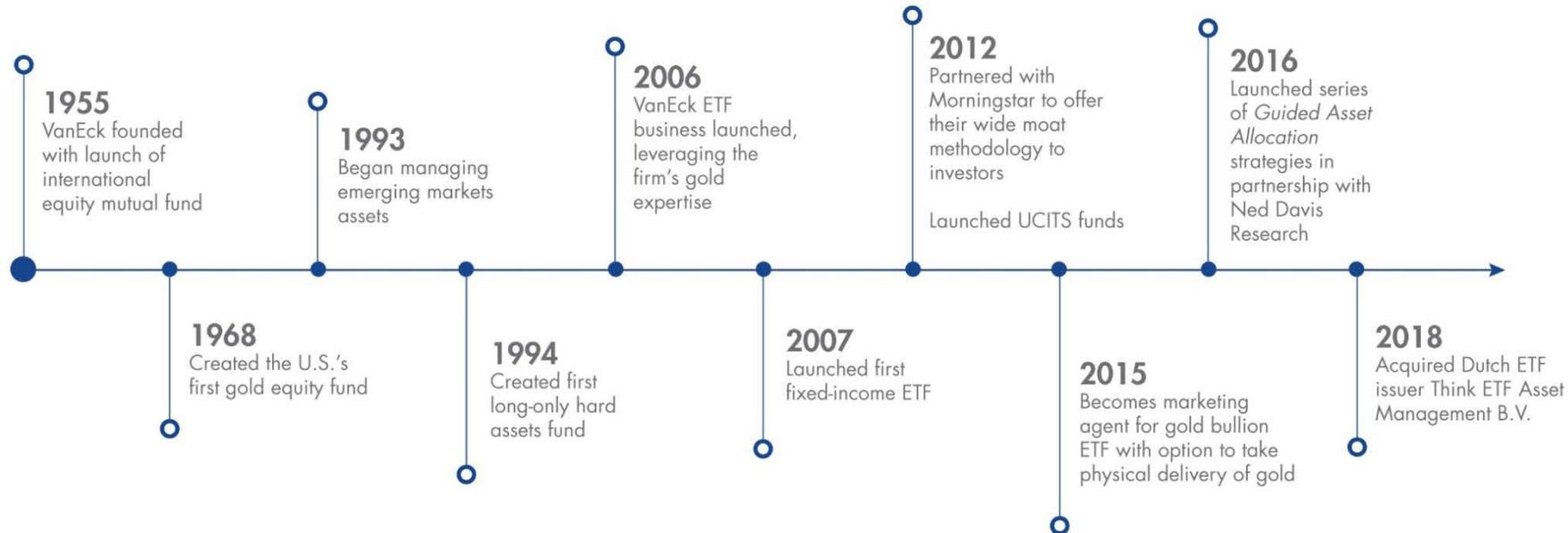
Roel Houwer RBA, Sr. Product Manager

History of Innovation

VanEck’s mission is to strengthen portfolios by offering forward looking, intelligently designed investment solutions

- **Investment Foresight:** Think beyond financial markets to inspire investable opportunities
- **Private Ownership:** As an independent, private firm we can focus on client interests with a long-term perspective
- **Accessible Management:** We pride ourselves on being available to clients and engaging directly with them

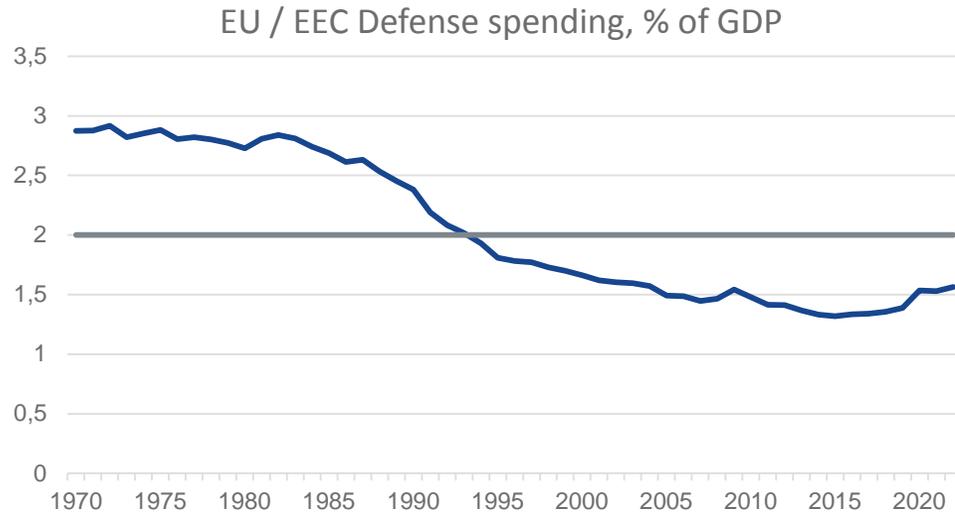
VanEck’s business has been shaped by identifying influential, persistent investment themes *before* they become mainstream



Contents

| | |
|---|----|
| A Story of Underinvestment | 4 |
| Changing Tides | 5 |
| Increased demand due to long-term drivers | 7 |
| More Growth Ahead? | 8 |
| Investment Strategy | 9 |
| Controversy & Controversial Weapons Screening | 11 |
| Fund Overview | 15 |
| Questions | 18 |
| Appendices | 19 |
| Important Information | 22 |

A story of underinvestment



But tides are changing

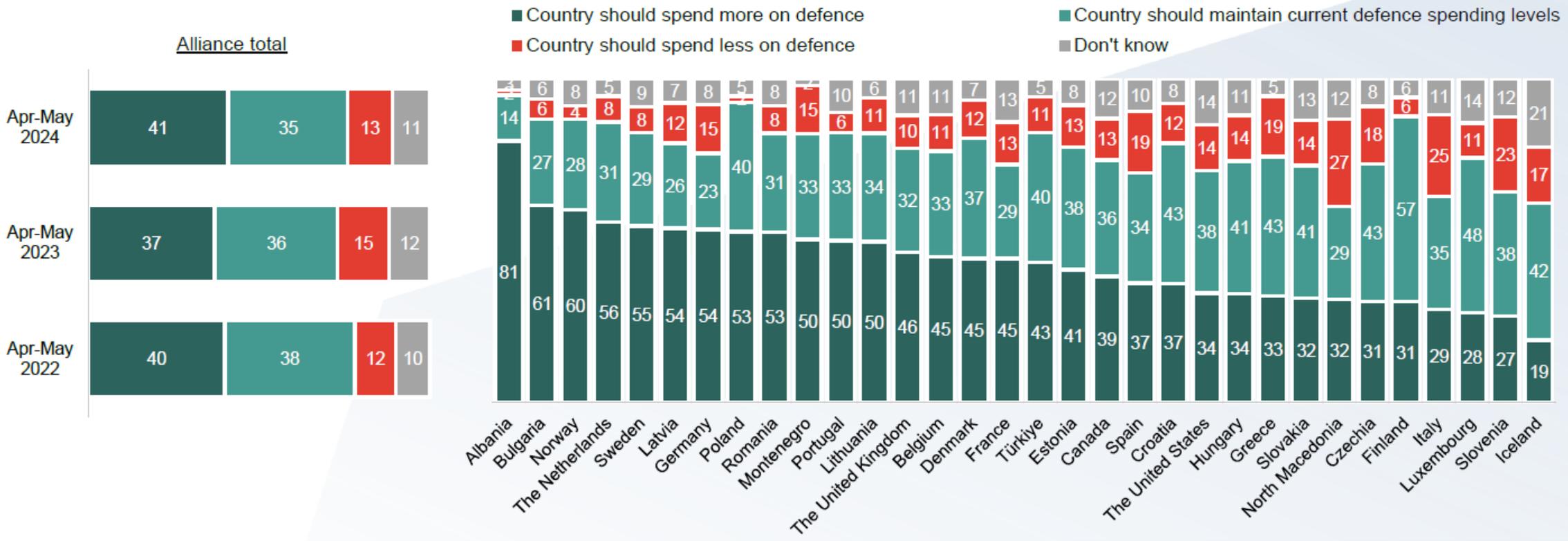


'22 Inspector General report on state of the German Army

- Ammunition stockpile would last only days in case of a conflict
- 30% of navy helicopters available
- 60% of the Leopard 2 battle tanks available
- 50% of the Panzerhaubitze self-propelled guns available
- Radio equipment 40 years old and easy to intercept

Changing tides, Public Opinion

NATO Polling Results 2024



Source: NATO Pre-Summit Polling Results 2024

Changing tides, Political Environment

“We need to move away from small-scale and transition to large-scale production of weapons.”
(Scholz)

“Russia has already transitioned to a war economy” (Bauer)

“The next step is a fully fledged European Defence Union so that Europe can take strategic responsibility for its own future.”
(Von der Leyen)

WORLD MILITARY SPENDING, 2023

| Region | Spending (US\$ b.) | Change (%) 2022-23 |
|-----------------------------------|--------------------|--------------------|
| <i>Americas</i> | 1 009 | 2.2 |
| Central America and the Caribbean | 14.7 | -0.4 |
| North America | 943 | 2.4 |
| South America | 50.7 | -0.3 |
| <i>Europe</i> | 588 | 16 |
| Central and Western Europe | 407 | 10 |
| Eastern Europe | 181 | 31 |
| World total | 2 443 | 6.8 |

Global tensions drive defence spending

- Russia-NATO tensions
- Cyber attacks
- US-China strategic competition
- Slowdown of globalization
- ...

"The era of peace dividend is over. Moving from a post-war to a pre-war world." Historic speech by UK Defence Secretary

TUESDAY, 16 JANUARY 2024 — GRANT SHAPPS, BRITISH DEFENCE SECRETARY



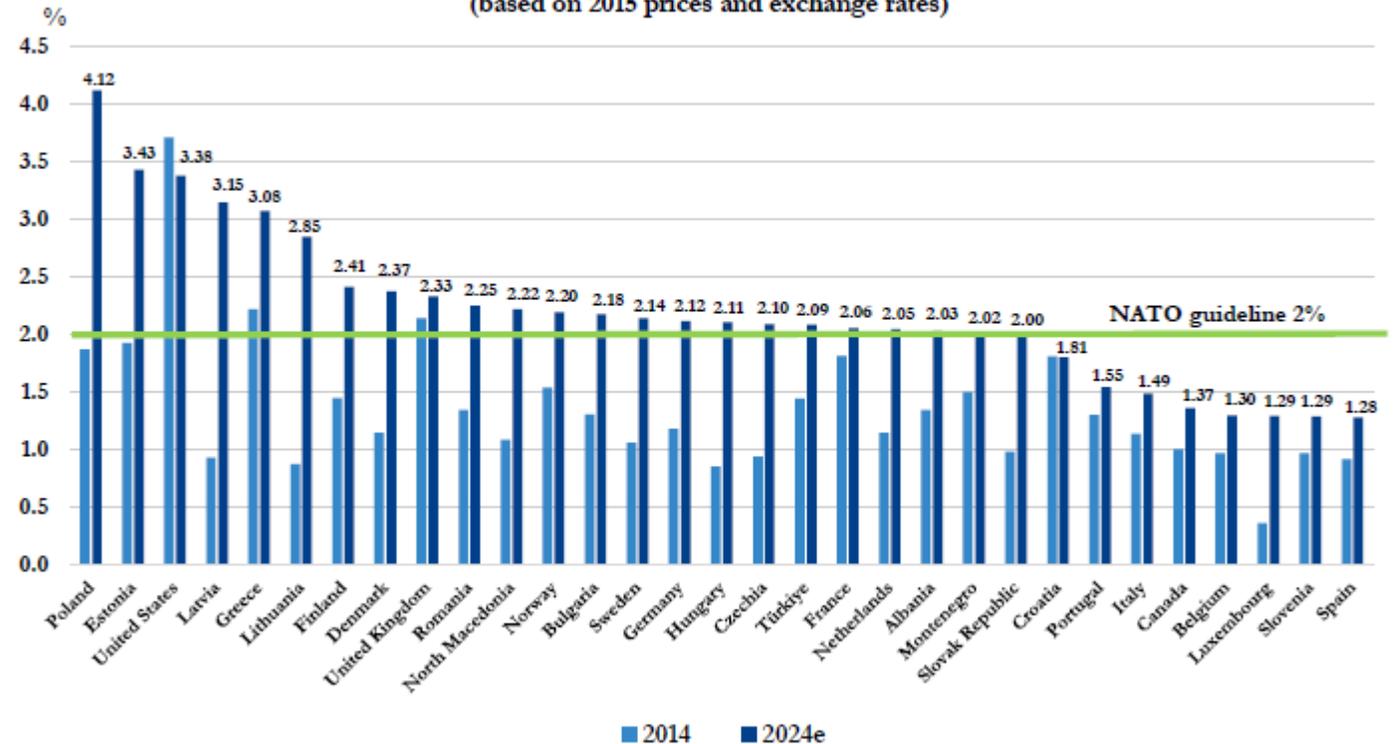
PHOTO CREDIT: UK MINISTRY OF DEFENCE

More Growth Ahead?

“The 15 largest European members of the North Atlantic Treaty Organization might have to ramp up military investment by as much as \$340 billion annually to \$720 billion” (Bloomberg Intelligence)

“NATO's New Defence Spending Targets: Closer to 3% GDP” (Rob Bauer, Chair of NATO's Military Committee)

Graph 4 : Defence expenditure as a share of GDP (%)
(based on 2015 prices and exchange rates)



Note: Figures for 2024 are estimates.

Pure-play exposure to the Defence Industry

MarketVector[®] Global Defense Industry Index

Revenue Analysis

Companies must derive at least **50% of their revenues** from the military or defense industries

Transparent and Diversified Strategy

The rules-based index methodology establishes **transparency** and a minimum of 25 stocks (max. 8% weight) ensures a **diversified investment strategy**.

Controversy and controversial weapons screen

Companies in violation of **UN Global Compact principles** or **OECD Guidelines for Multinational Enterprises** and companies involved in the production of **Controversial Weapons** are excluded.

Comprehensive definition of Defence Market

Taking into account factors beyond weapons



Cybersecurity



**Satellites &
Communications**



**Analytics &
Event Response
Software**



**Training &
Simulation**

MarketVector[®] Global Defense Industry Index

Controversy Screening

- Companies with an Overall ISS Norms-Based Controversy score of 9 or 10 (out of 10), equivalent to proven or imminent violations of UN Global Compact principles or OECD Guidelines for Multinational Enterprises

Controversial weapons

- Biological
- Chemical
- Cluster or incendiary weapons
- Anti-personnel mines
- Depleted uranium
- White phosphorus
- Nuclear weapons **outside** of Non-Proliferation Treaty (NPT)

Red Flags

- Company has 2 controversial weapons involvement red flags
- 3 instances (assessments) related to white phosphorus (see exhibit A)
 - The company is expected to remain involved in white phosphorus weapons “until Q2 2024” at which point the company will be given an opportunity to confirm their involvement has ceased. If ISS finds the company’s attestation acceptable and comes to the same conclusion independently, the flag will change from Red to Amber.
 - 1 instances related to depleted uranium (see exhibit B)
 - In the ISS report on the company there is no expectation for involvement in depleted uranium to cease.

Exhibit A

| White Phosphorus Weapons | |
|--|-----------|
| <p>▶ 81mm AE mortar WP smoke round</p> <p>Verified involvement in white phosphorus weapons. 06 Oct 2023 – Rheinmetall AG is assessed to be involved in 60mm, 81mm and 120mm white phosphorus (WP) smoke rounds through its directly wholly owned subsidiary Rheinmetall Expal Munitions SAU...</p> | 10 ● RED |
| <p>▶ 120mm AE mortar WP smoke round</p> <p>Verified involvement in white phosphorus weapons. 06 Oct 2023 – Rheinmetall AG is assessed to be involved in 60mm, 81mm and 120mm white phosphorus (WP) smoke rounds through its directly wholly owned subsidiary Rheinmetall Expal Munitions SAU...</p> | 10 ● RED |
| <p>▶ 60mm AE mortar WP smoke round</p> <p>Verified involvement in white phosphorus weapons. 06 Oct 2023 – Rheinmetall AG is assessed to be involved in 60mm, 81mm and 120mm white phosphorus (WP) smoke rounds through its directly wholly owned subsidiary Rheinmetall Expal Munitions SAU...</p> | 10 ● RED |
| <p>Unspecified white phosphorus weapons</p> <p>Past involvement in white phosphorus weapons. 10 Oct 2019 – Rheinmetall AG is assessed to have terminated its involvement in unspecified white phosphorus weapons. In the past the company produced artillery smoke rounds containing white phosphorus....</p> | 3 ● GREEN |

Exhibit B

| Depleted Uranium | |
|---|-----------|
| <p>120mm M829 series of anti-tank rounds</p> <p>Verified involvement in depleted uranium ammunition. 24 Aug 2022 – Rheinmetall AG is assessed to be involved in key components of 120mm M829 series anti-tank rounds through its Nitrochemie joint venture (formerly Nitrochemie AG). M829 rounds use a deplete...</p> | 10 ● RED |
| <p>120mm M865 target practice tank round</p> <p>Involvement beyond scope in depleted uranium ammunition. 28 Oct 2020 – Rheinmetall AG, through its indirectly majority-owned joint venture Nitrochemie Wimmis AG, is assessed to be involved in key components for the 120mm M865 target practice tank round...</p> | 5 ● GREEN |

BAE Systems

- Company has 11 controversial weapons involved in red flags
 - 8 instances related to nuclear weapons within the non-proliferation treaty (Exhibit C)
 - 2 instances related to white phosphorus (Exhibit D)

Exhibit D

| White Phosphorus Weapons | | |
|---|----|-------|
| Unspecified 81mm WP smoke round | 10 | ● RED |
| Verified involvement in white phosphorus weapons. 15 Feb 2019 – BAE Systems Plc is assessed to be involved in 81mm white phosphorus (WP) smoke rounds for mortars through its BAE Systems Land (UK) business unit. The company supplies these types of... | | |
| Unspecified 120mm WP smoke round | 10 | ● RED |
| Verified involvement in white phosphorus weapons. 15 Feb 2019 – BAE Systems Plc is assessed to be involved in 120mm white phosphorus (WP) smoke rounds for tanks through its BAE Systems Land (UK) business unit. The company provides maintenance... | | |

Exhibit C

| Nuclear Weapons inside the NPT | | |
|---|----|-------|
| French nuclear weapons arsenal | 10 | ● RED |
| Verified involvement in nuclear weapons. 30 Jan 2023 – BAE Systems Plc is assessed to be involved in key components of the French nuclear weapons arsenal through its joint venture company MBDA SAS. MBDA is a member of joint venture company HMS... | | |
| Dreadnought class ballistic missile submarine | 10 | ● RED |
| Verified involvement in nuclear weapons. 14 Mar 2022 – BAE Systems Plc is assessed to be involved in the Dreadnought class ballistic missile submarine (SSBN) and in key components of the Columbia class SSBN through its wholly owned UK-based subsidiary... | | |
| Minuteman intercontinental ballistic missile | 10 | ● RED |
| Verified involvement in nuclear weapons. 14 Mar 2022 – BAE Systems Plc is assessed to be involved in the Minuteman intercontinental ballistic missile (ICBM) programme through its indirectly wholly owned US-based subsidiary BAE Systems... | | |
| Ohio class ballistic missile submarine | 10 | ● RED |
| Verified involvement in nuclear weapons. 14 Mar 2022 – BAE Systems Plc is assessed to be involved in key components of the Vanguard and Ohio class ballistic missile submarines (SSBN) through its indirectly wholly owned US-based subsidiary BAE Systems... | | |
| Columbia class ballistic missile submarine | 10 | ● RED |
| Verified involvement in nuclear weapons. 14 Mar 2022 – BAE Systems Plc is assessed to be involved in the Dreadnought class ballistic missile submarine (SSBN) and in key components of the Columbia class SSBN through its wholly owned UK-based subsidiary... | | |
| Trident submarine-launched ballistic missile | 10 | ● RED |
| Verified involvement in nuclear weapons. 14 Mar 2022 – BAE Systems Plc is involved in key components of the Trident submarine-launched ballistic missile (SLBM) through its indirectly wholly owned US-based subsidiary BAE Systems Ordnance Systems Inc (OSI)... | | |
| Vanguard class ballistic missile submarine | 10 | ● RED |
| Verified involvement in nuclear weapons. 14 Mar 2022 – BAE Systems Plc is assessed to be involved in key components of the Vanguard and Ohio class ballistic missile submarines (SSBN) through its indirectly wholly owned US-based subsidiary BAE Systems... | | |
| ASMPA nuclear missile (advanced ASMP) | 10 | ● RED |
| Verified involvement in nuclear weapons. 04 Mar 2022 – BAE Systems Plc is assessed to be involved in the ASMPA nuclear missile (advanced ASMP) programme through joint venture company MBDA SAS. These missiles have the sole purpose of delivering a... | | |
| ASMPA nuclear missile successor | 10 | ● RED |
| Verified involvement in nuclear weapons. 04 Mar 2022 – BAE Systems Plc is assessed to be involved in the ASMPA nuclear missile successor programme through joint venture company MBDA SAS. These missiles, also referred to as ASN4G, are being designed to... | | |

Performance of VanEck Defense ETF exclusions

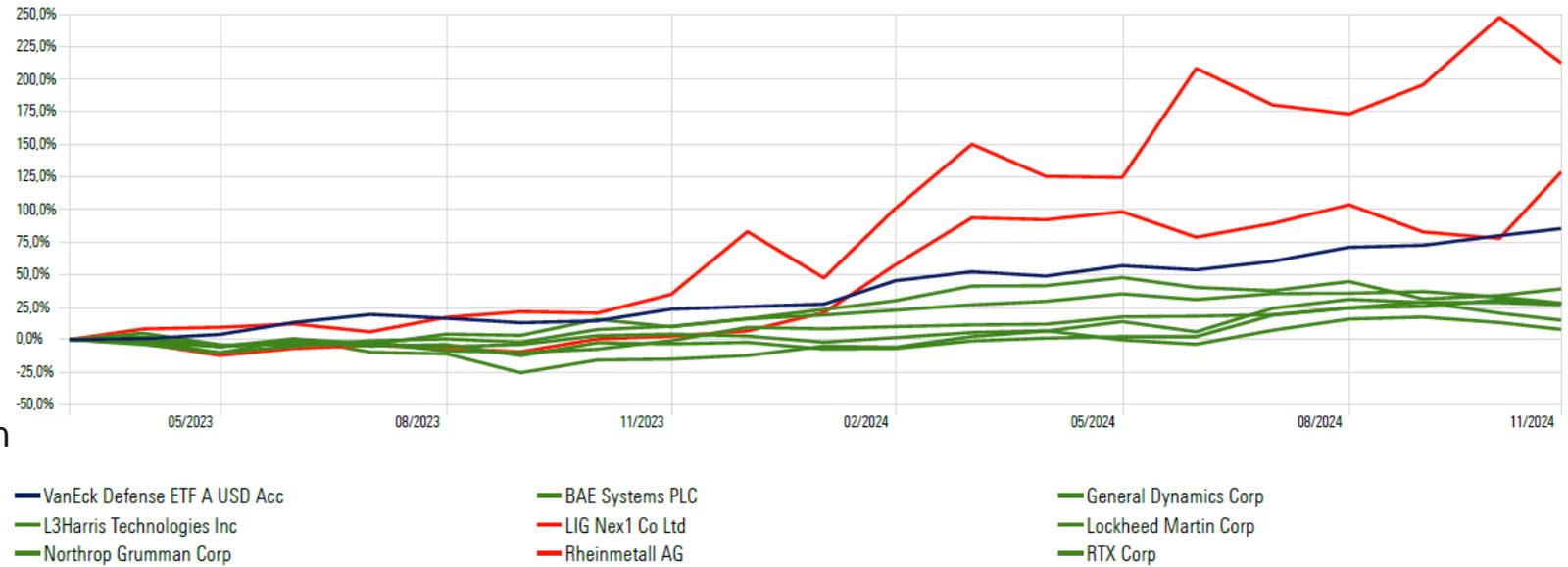
Only 2 outperforming the ETF

- Rheinmetall and LIG Next are outperforming
- LIG Next would have a marginal weight

ETF outperforms competition

- Not investing in 6 out of 8 exclusion contributed to performance
- This is underlined by VE DFNS outperformance vs. Competitors that do not exclude

Performance



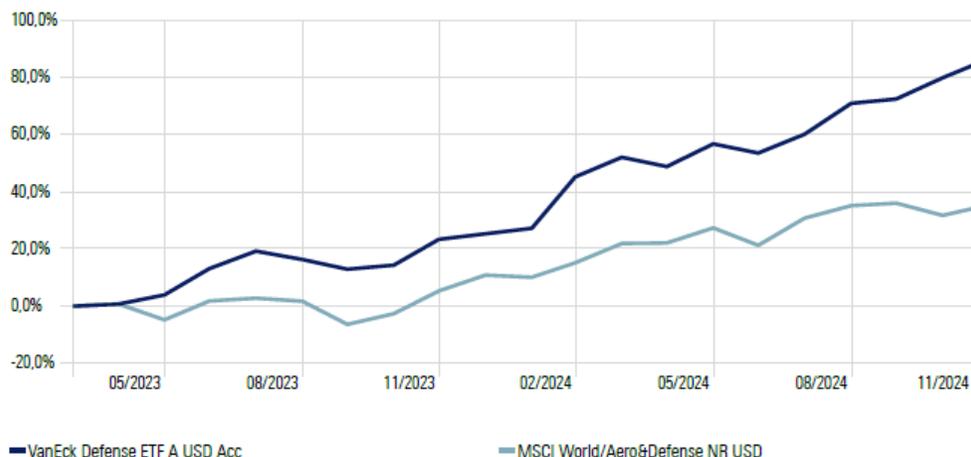
Performance

As of Date: 25/11/2024 Data Point: Return Currency: BASE Source Data: Total Return

| | 1 Month | 3 Months | YTD | 1 Year | Since fund launch |
|------------------------------|---------|----------|--------|--------|-------------------|
| VanEck Defense ETF A USD Acc | 1,43 | 10,29 | 47,86 | 48,81 | 85,27 |
| BAE Systems PLC | 0,43 | -0,20 | 19,65 | 24,41 | 38,94 |
| General Dynamics Corp | -7,00 | -3,01 | 10,53 | 15,81 | 28,05 |
| L3Harris Technologies Inc | -4,38 | 5,33 | 16,58 | 28,55 | 27,52 |
| LIG Nex1 Co Ltd | -10,44 | 18,05 | 70,88 | 147,36 | 212,62 |
| Lockheed Martin Corp | -7,18 | -5,45 | 17,42 | 18,57 | 14,90 |
| Northrop Grumman Corp | -6,56 | -4,35 | 4,95 | 4,20 | 7,76 |
| Rheinmetall AG | 25,36 | 13,75 | 114,54 | 117,27 | 128,72 |
| RTX Corp | -4,70 | 0,64 | 44,33 | 51,83 | 26,55 |

VanEck Defense UCITS ETF - Overview

Performance



Top Holdings - VanEck Defense ETF A USD Acc

| Company | Portfolio Weighting % |
|---|-----------------------|
| Palantir Technologies Inc Ordinary Shares - Class A | 12,71 |
| Leidos Holdings Inc | 7,53 |
| Thales | 7,21 |
| Booz Allen Hamilton Holding Corp Class A | 6,70 |
| Curtiss-Wright Corp | 6,44 |
| Leonardo SpA Az nom Post raggruppamento | 6,34 |
| BWX Technologies Inc | 5,49 |
| CACI International Inc Class A | 4,10 |
| Hanwha Aerospace Co Ltd | 4,04 |
| Saab AB Class B | 3,76 |

General information

| ISIN | Domicile | Management Fee | Fund Size |
|--------------|----------|----------------|------------------|
| IE000YYE6WK5 | Ireland | 0,55 | \$ 1.463.454.250 |

Trailing Returns

As of Date: 20/11/2024 Data Point: Return Currency: BASE Source Data: Total Return

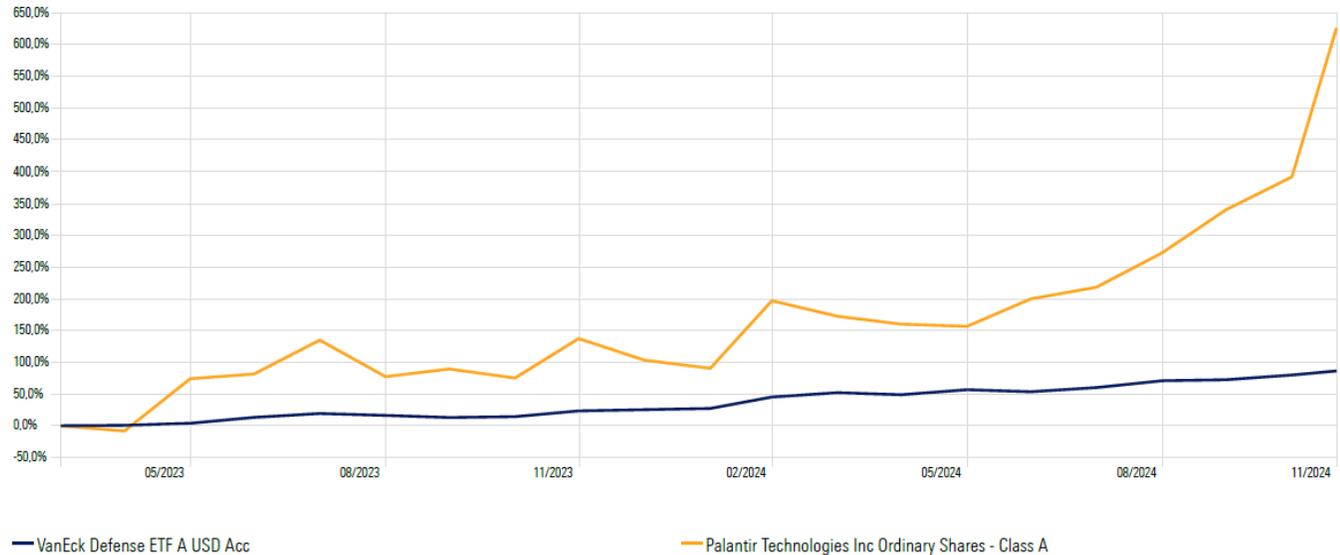
| | 1 Month | 3 Months | YTD | 1 Year | Since fund launch |
|--|---------|----------|-------|--------|-------------------|
| VanEck Defense ETF A USD Acc | 0,78 | 10,77 | 46,99 | 47,17 | 84,17 |
| MarketVector Global Defense Ind NR USD | 0,82 | 10,89 | 47,46 | 47,70 | 85,70 |

Company example: Palantir Technologies Inc

Palantir Technologies Inc. is an American software company specializing in big data analytics. It offers platforms like Palantir Gotham for defense and intelligence applications, and Palantir Foundry for commercial data integration and analysis.

Since 2023, Palantir's stock has surged, driven by strong demand for its artificial intelligence capabilities and significant contracts, including a nearly \$100 million annual deal with the U.S. Department of Defense through 2029. The company's inclusion in the S&P 500 in September 2024 further boosted investor confidence.

Performance



Performance

As of Date: 21/11/2024 Data Point: Return Currency: BASE Source Data: Total Return

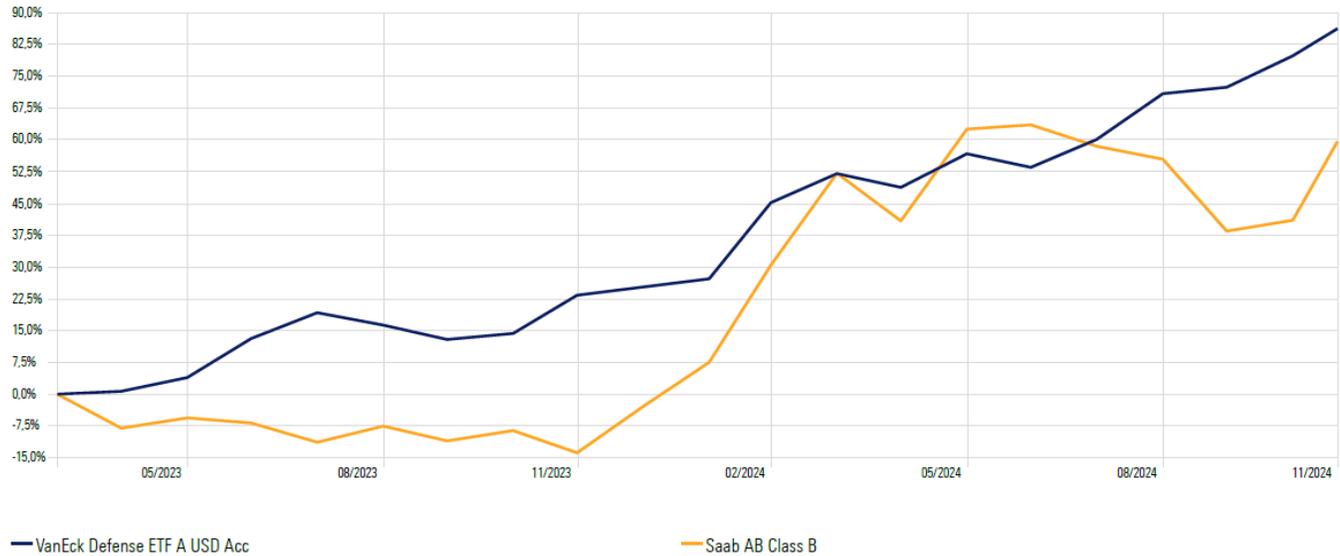
| | 1 Month | 3 Months | YTD | 1 Year | Since fund launch |
|---|---------|----------|--------|--------|-------------------|
| VanEck Defense ETF A USD Acc | 2,28 | 11,63 | 48,67 | 50,15 | 86,28 |
| Palantir Technologies Inc Ordinary Shares - Class A | 43,70 | 88,57 | 257,37 | 209,90 | 626,15 |

Company example: Saab AB (B)

Saab AB is a Swedish aerospace and defense company that develops and manufactures a wide range of products, including military aircraft, missile systems, and surveillance solutions.

Since 2023, Saab's stock has performed well, driven by increased global defense spending and significant contract wins. The company's strategic positioning in NATO countries and rising European defense budgets have further bolstered investor confidence.

Performance



Performance

As of Date: 21/11/2024 Data Point: Return Currency: BASE Source Data: Total Return

| | 1 Month | 3 Months | YTD | 1 Year | Since fund launch |
|------------------------------|---------|----------|-------|--------|-------------------|
| VanEck Defense ETF A USD Acc | 2,28 | 11,63 | 48,67 | 50,15 | 86,28 |
| Saab AB Class B | 12,75 | 5,23 | 64,41 | 76,81 | 59,64 |



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Questions

Appendix I: Index Methodology (Pure-play Defence investment)

MarketVector[®] Global Defense Industry Index

Revenue Analysis

Companies must derive at least 50% (25% for current components) of their revenues from the military or defence industries (including related national/federal governmental departments) related to the following products and services:

- Aerospace and Defence products and services
- Communications systems and services, including satellites
- Unmanned vehicles
- Event response, security, or safety-related software
- Information Technology hardware and services
- Cybersecurity software
- Training and simulation software and products
- Digital forensics, detection devices, and e-authentication/biometric identification

Selection universe

- Global universe of securities from developed markets, South Korea and Taiwan
- Freely investable for foreign investors
- Entry requirements: Market Capitalization >1 billion USD **AND** 3M ADTV > 1 million USD **AND** >250k monthly shares traded over the last 6 months

Index portfolio size

- At least 25 securities
- Maximum component weight is 8%

Buffer rule

- At each review, companies which less than 25% of revenues from the global defence industry are removed from the index

Rebalancing frequency

- Quarterly

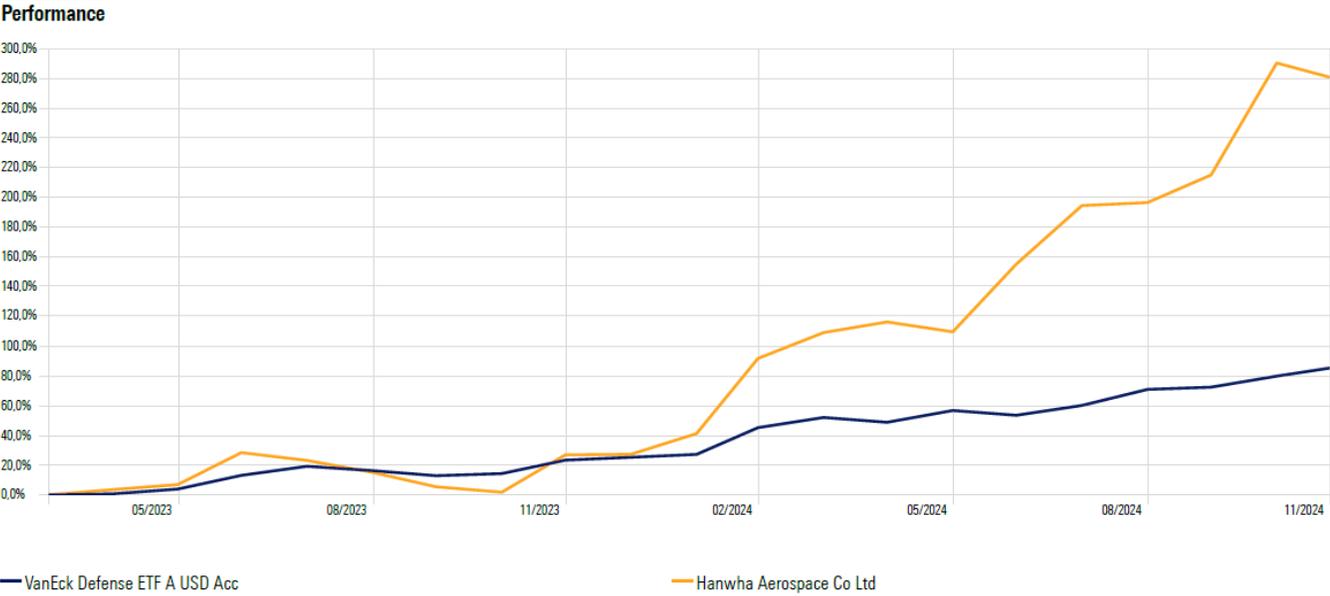
Appendix II: Exclusions

| RT Ticker | Company Name | ISIN | % of Eligible Universe | Reason(s) for ESG Failure |
|-----------|------------------------------|--------------|------------------------|--|
| RTX.N | RTX Corp. | US75513E1010 | 15,03% | nbsoverallscore-- 10.0 |
| LMT.N | Lockheed Martin Corporation | US5398301094 | 14,25% | apminesoverallflag-- RED, clustermunitionoverallflag-- RED |
| NOC.N | Northrop Grumman Corporation | US6668071029 | 9,20% | depleteduraniumoverallflag-- RED |
| GD.N | General Dynamics Corporation | US3695501086 | 8,65% | nbsoverallscore-- 10.0, depleteduraniumoverallflag-- RED, whitephosphorusoverallflag-- RED |
| BAES.L | BAE Systems Plc | GB0002634946 | 5,17% | whitephosphorusoverallflag-- RED |
| LHX.N | L3Harris Technologies, Inc. | US5024311095 | 4,64% | depleteduraniumoverallflag-- RED, whitephosphorusoverallflag-- RED |
| RHMG.DE | Rheinmetall AG | DE0007030009 | 1,68% | depleteduraniumoverallflag-- RED, whitephosphorusoverallflag-- RED |
| 079550.KS | LIG Nex1 Co., Ltd. | KR7079550000 | 0,21% | clustermunitionoverallflag-- RED |

Appendix III: Company example: Hanwha Aerospace

Hanwha Aerospace is South Korea's leading private aerospace company specializing in spacecraft engines, aircraft components, and defense solutions.

Since 2023, Hanwha Aerospace's stock has experienced significant growth, driven by increased global defense spending and substantial contracts, including a notable deal with Poland for its Chunmoo multi-rocket launcher system. The company's strategic expansion into international markets and its focus on advanced defense technologies have further bolstered investor confidence.



Performance
As of Date: 25/11/2024 Data Point: Return Currency: BASE Source Data: Total Return

| | 1 Month | 3 Months | YTD | 1 Year | Since fund launch |
|------------------------------|---------|----------|--------|--------|-------------------|
| VanEck Defense ETF A USD Acc | 1,43 | 10,29 | 47,86 | 48,81 | 85,27 |
| Hanwha Aerospace Co Ltd | -5,03 | 35,18 | 199,14 | 214,58 | 280,86 |

Source: Morningstar

Important Information



Access the opportunities.

This is a marketing communication. Please refer to the prospectus of the UCITS and to the KID before making any final investment decisions.

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Portugal - Paying Agent: BEST – Banco Eletrónico de Serviço Total, S.A.
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Performance quoted represents past performance. Current performance may be lower or higher than average annual returns shown. Discrete performance shows 12-month performance to the most recent quarter-end for each of the last 10 years where available. E.g. '1st year' shows the most recent of these 12-month periods and '2nd year' shows the previous 12 months period and so on.

Performance data for the Irish domiciled ETFs is displayed on a Net Asset Value basis, in Base Currency terms, with net income reinvested, net of fees. Returns may increase or decrease as a result of currency fluctuations.

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