

## Annex 1: Pre-contractual disclosure - VanEck Global Real Estate UCITS ETF

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** VanEck Global Real Estate UCITS ETF

**Legal entity identifier:** 254900806XAC7GF55143

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Does this financial product have a sustainable investment objective?



Yes



No



It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_%



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%



It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**



### What environmental and/or social characteristics are promoted by this financial product?

The following environmental and social characteristics apply to the Sub-fund's investments:

1. The Sub-fund promotes the reduction of the most negative impacts on society and the environment, through reducing exposure to controversies, by using the GRESB overall ESG disclosure score in the index selection and weighting process.
2. The Glass Lewis ESG tilted voting policy is applied, whereby casted votes concern sustainability matters.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

A reference benchmark, the GPR Global 100 Index, has been designated for the purpose of attaining the environmental and social characteristics promoted by the financial product. Compared to a non-ESG fund with similar exposure, this Sub-fund applies mandatory Environmental and Social factors and limits. These are corresponding to the Principle Adverse Impacts specified below.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The Sub-fund measures the following sustainability indicators:

Indicator
The percentage of portfolio involved in violations of UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights
The percentage of companies involved in activities negatively affecting biodiversity-sensitive areas

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

This question and the related questions below are not applicable as the Sub-fund does not intend to make sustainable investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable

— How have the indicators for adverse impacts on sustainability factors been taken into account?

Not applicable

— How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Not applicable

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-

### Does this financial product consider principal adverse impacts on sustainability factors?



Yes, the Sub-fund considers principal adverse impacts on sustainability factors.



No

The sub-fund considers the principal adverse impacts by means of screening, excluding and reweighting companies with a low performance on the below subjects in the following manner:

1. Social and employee, respect for human rights, anti-corruption and anti-bribery matters;
2. Part of the overall ESG disclosure score via GRESB KPI "D4: Public commitment to ESG leadership standards and/or principles".

Additionally, principal adverse impacts are considered as part of the Glass Lewis ESG tilted voting policy, whereby casted votes regard the environment, energy efficiency, the use of renewable energy sources, enhancing the rights of workers, violation of international human rights standards, gender pay inequity and board diversity.

A description on how the Sub-fund has considered Principal Adverse Impacts on sustainability factors in the preceding year will be included in the Sub-fund's annual report.



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk.

### What investment strategy does this financial product follow?

The Sub-fund's investment objective is to replicate, before fees and expenses, the price and yield performance of the GPR Global 100 Index. The Sub-fund seeks to invest in the 100 leading property companies based on liquidity, subject to regional constraints. Additionally, it excludes companies that have a GRESB disclosure score of "E" and reweights the rest according to their GRESB disclosure score. Finally, the Glass Lewis ESG-tilted voting policy is applied, whereby casted votes in shareholder meetings of companies in the portfolio concern sustainability matters.

#### ● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Sub-fund's investments must comply with the following binding element:

- Exclusion from the portfolio based on screening score: constituent companies must have score higher than "E" in terms of GRESB overall ESG disclosure score. This considers companies' disclosure policies on various Environmental, Human Rights, Labour and Governance indicators.

#### ● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Sub-fund does not commit to a minimum rate to reduce the scope of investments prior to the application of the investment strategy.

#### ● ***What is the policy to assess good governance practices of the investee companies?***

Good governance relates to sound management structures, employee relations, remuneration of staff and tax compliance. The Sub-fund screens companies based on their GRESB overall ESG disclosure score, which includes a Governance disclosure KPIs "Specific governance objectives".



### Asset allocation

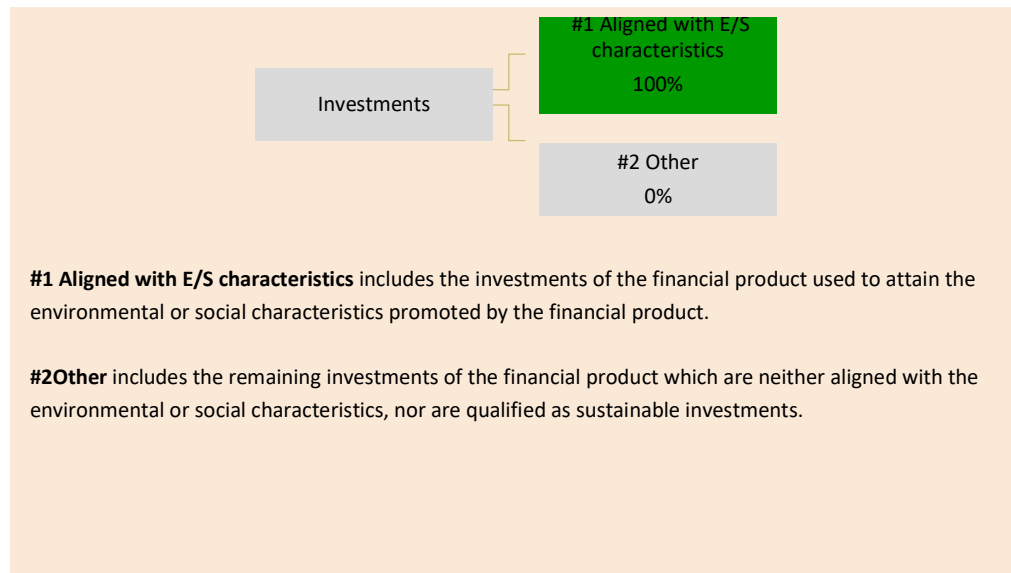
describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover**  
reflecting the share of revenue from green activities of investee companies
- **capital expenditure**  
(CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure**  
(OpEx) reflecting green operational activities of investee companies.

### What is the asset allocation planned for this financial product?

The Sub-fund invests in direct financial instruments of which 100% is aligned with the environmental and social characteristics that it promotes.



### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Sub-fund does not invest in derivatives. Therefore, this question is not applicable.




### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the Sub-fund promotes environmental and social characteristics within the meaning of Article 8 of the SFDR, it does not currently commit to investing in any “sustainable investments” within the meaning of the SFDR. It should be noted that the investments underlying this Sub-fund do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation and, as such, the Sub-fund’s portfolio alignment with such Taxonomy Regulation is not calculated. It follows that the minimum extent of sustainable investments with an aligned environmental objective aligned with the Taxonomy Regulation is currently 0%.

The “do no significant harm” principle applies only to those investments underlying the Sub-fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of the Sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

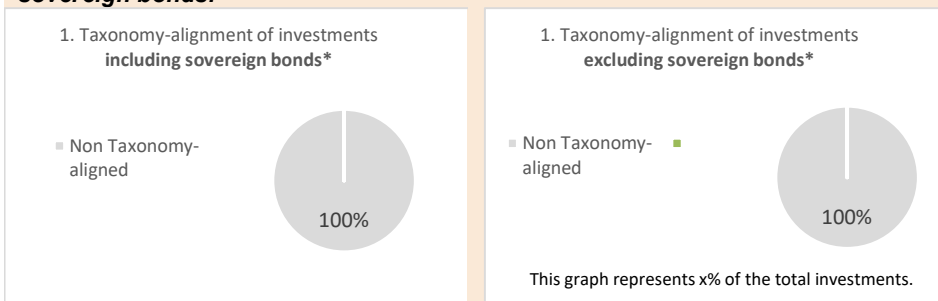
- Does the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?

☐ Yes

☐ In fossil gas ☐ In nuclear energy

☒ No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

- What is the minimum share of investments in transitional and enabling activities?  
The minimum share of investments in transitional and enabling activities is 0%.



- What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The minimum share of non-aligned environmental sustainable investments is 0%.



- What is the minimum share of socially sustainable investments?

The minimum share of socially sustainable investments 0%.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Not applicable, all investments are aligned with the environmental and social characteristics.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

As a passive investment's strategy, the Sub-fund has designated the GPR Global 100 Index as reference benchmark to meet the environmental and social characteristics that it promotes.

● ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Sustainability factors are considered as part of screenings that are included in the reference benchmark and assessed at any rebalancing of the underlying Index. By means of ESG disclosure screening and ESG-tilted weighting, the Sub-fund takes the principal adverse impacts on sustainability factors relating to UNGC disclosure policies into account.

For detailed information, please refer to the question “Does this financial product consider principal adverse impacts on sustainability factors?”.

● ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

In order to seek to achieve its investment objective, the investment policy of the Sub-fund is to use a replication strategy by investing directly in the underlying equity securities that consists of the component securities of the Index. The Sub-fund is passively managed. The Sub-fund’s Manager, in order to ensure the alignment with the ESG characteristics that it promotes, monitors that the holdings are screened against the underlying Index’s exclusion by means of:

- Replication by the Portfolio Management Team of the Index based on the Index rules. Those also contain the requirements related to Norm-based research and Controversial sector involvement screenings (tobacco, fossil fuels, thermal coal mining, gambling, oil sands, civilian firearms, military equipment and services, and nuclear power), as coded in the Bloomberg Compliance Manager system. The Index components are periodically rebalanced by the Index provider.
- Reporting of any breaches of the Index rules by the Legal and Compliance Team, in line with VanEck’s policies and procedures, which are established to assess the alignment of the funds’ investments with the Index and to undertake recovery measures where necessary.
- Periodic confirmation on ESG integration by the Index provider as part of the regular due diligence.
- Establishment of an ESG Committee which periodically reviews the compliance of the Fund’s characteristics with the current regulation and which goal is to establish, maintain and further develop and monitor ESG strategies offered by VanEck. The ESG Committee is composed by the managing directors and at least one member of each department.
- Appointment of a proxy voting specialist - Glass Lewis Europe Limited- to exercise voting rights for all equity funds also on ESG factors. VanEck is periodically informed by the service provider on the voting activities.

● ***How does the designated index differ from a relevant broad market index?***

The index differs from a generic broad market real estate index in following ways:

- Regional Diversification constraints: 40 shares from North America, 30 from EMEA and 30 from Asia Pacific;
- ESG Screening: companies with a GRESB ESG disclosure score of “E” are excluded from the index;

- ESG-tilted weighting: weights of companies with a GRESB ESG disclosure score above “E” adjusted based on the score, with better-performing stocks in terms of ESG getting increased weights.

● ***Where can the methodology used for the calculation of the designated index be found?***

Information on the methodology can be found on the following page:

<https://www.vaneck.com/globalassets/home/ucits/etf/equity/tret/gpr-global-100-index-vaneck-asset-management-b.v.-construction-and-maintenance-july-2022.pdf/>.



**Where can I find more product specific information online?**

More product-specific information can be found on the website:

<https://www.vaneck.com/ucits/tret/documents/>.