

Game on.
Invest in the future.



VIDEO GAMING AND ESPORTS: A GLOBAL PHENOMENON

- **REACH:** Competitive video gaming audience¹ expected to reach 646 million people globally in 2023, driven in part by rising population of digital natives.²
- **GROWTH:** ESports revenue growth has increased on average 28% yearly since 2015.²
- **TRANSFORMATION:** ESports reflect the convergence of entertainment, video gaming, sports, and media businesses. With an active, engaged and relatively young demographic, the stage is set for sustainable long-term growth.



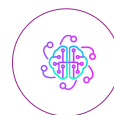
Consumer Demand

Social ecosystem around video gaming illustrates demand for online interactive entertainment.



Cord Cutting

Content is increasingly being consumed through online platforms.



Demographics

The average age of eSports enthusiasts is under 30.

A MULTI BILLION DOLLAR INDUSTRY THAT IS TRANSFORMING ENTERTAINMENT, SPORT AND MEDIA

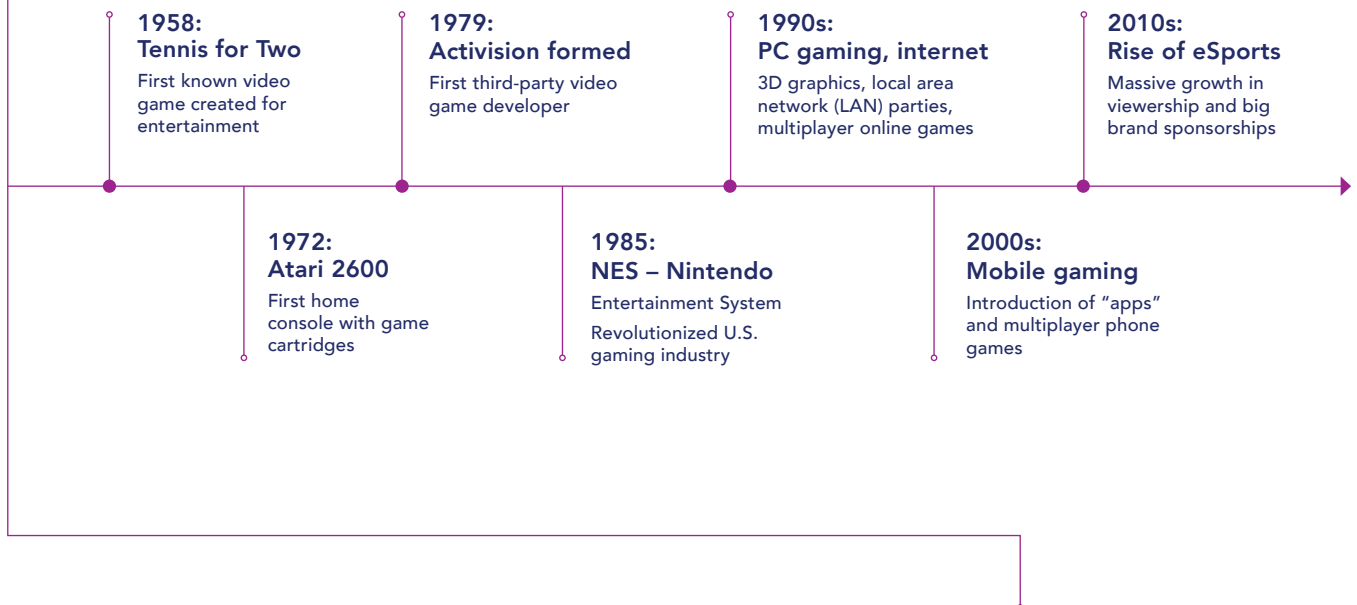
There are now more than 2.7 billion active gamers worldwide¹

- The video game business is now larger than both the movie and music industries combined, making it a major industry in entertainment.²
- Considered the world's fastest-growing sport. The top eSports tournaments are drawing crowds rivaling the World Cup football and the Olympic Games.
- For the younger generations, games are replacing social networks as the go-to digital destinations to meet and socialise with friends.

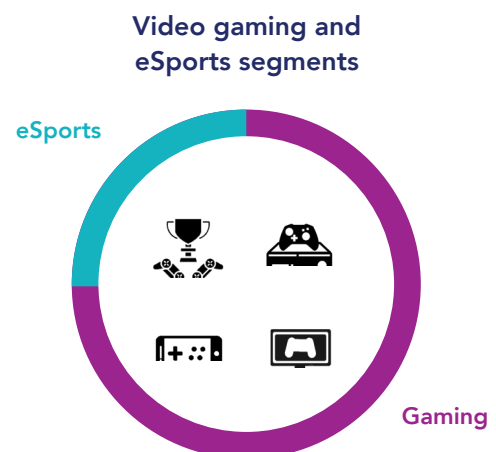
Technology advancements have made video games more complex, interactive and dynamic

Development and proliferation of video games mirror the dawn of the Internet, which featured a long research incubation period, followed by explosive growth, as the public adapted to the new technology.

Video gaming and eSports represent a fundamental paradigm shift in how people use entertainment and technology to interact with each other. eSports and online video games are a long-term disruptive force in the traditional media, entertainment and technology industries.



eSports is defined by professional or semi-professional competitive gaming in an organised format (tournament or league) with a specific goal/prize, such as winning a championship title or prize.

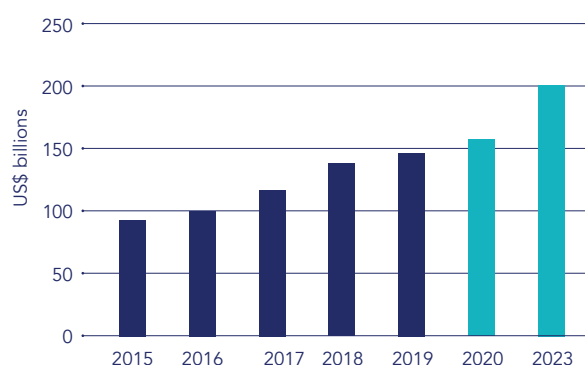


1. The World's 2.7 Billion Gamers Will Spend \$159.3 Billion on Games in 2020; The Market Will Surpass \$200 Billion by 2023, T. Wijman 8 May 2020 via newzoo.com
2. Video game industry silently taking over entertainment world, S. Stewart, 22 October 2019.

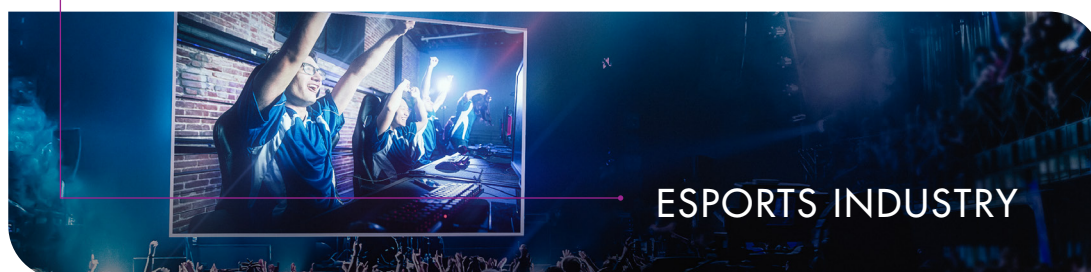
CONSISTENT GLOBAL GROWTH IN REVENUE

- Video gaming has achieved 12% average annual growth since 2015.
- The Asia-Pacific is forecast to generate game revenues of US\$78.4 billion in 2020, accounting for 49% of the global games market.
- The Middle East and Africa is expected to be the fastest growing games market in 2020 growing 14.5% YoY to reach US\$5.4 billion.
- eSports has created new potential revenue streams from game publisher fees, media rights, merchandise, ticket sales and advertising.

Global games revenues



Source: Newzoo's Global Games Market Report 2016, 2018, 2020.



Type of company or organisation (example)	Example of eSports investment
Video game companies (Activision, Tencent)	<ul style="list-style-type: none"> • Develop and publish video games • Develop and support professional eSports leagues
Professional eSports teams (Team Liquid, Cloud9)	<ul style="list-style-type: none"> • Franchise fees to league owners • Corporate sponsorships
Esports venues (Barclays Center, Staples Center)	<ul style="list-style-type: none"> • Investing in new infrastructure projects • Utilising existing arenas and venues for eSports events
Online streaming services (Twitch.tv, YouTube.com)	<ul style="list-style-type: none"> • Technology infrastructure to support massive online viewership • Facilitate sponsorship of individual streaming personalities
Tech companies (Amazon, Microsoft)	<ul style="list-style-type: none"> • Invested in streaming services • Build consoles, hardware used to play video games
Colleges and high schools (NYU, UC Irvine)	<ul style="list-style-type: none"> • Scholarships to eSports athletes • Gaming tech labs
Professional sports organizations (Manchester United, Paris Saint-Germain)	<ul style="list-style-type: none"> • Investments and sponsorships of professional eSports teams • Shared resources of team equipment and facilities
Cities and municipalities (Arlington TX, Sydney AU)	<ul style="list-style-type: none"> • Dedicated eSports arenas built
Traditional Brands (Mercedes, Red Bull)	<ul style="list-style-type: none"> • Advertisements targeted towards eSports viewers and participants
Media companies (Disney, Sport1, Turner Sports)	<ul style="list-style-type: none"> • Licensing rights for live tournament broadcasts

Companies are named for illustration purposes only. VanEck makes no recommendation on any individual security.

ESPO – GAME ON. INVEST IN THE FUTURE.

With targeted exposure to the key players in the video gaming sector, the VanEck Vectors Video Gaming and eSports ETF (ESPO) provides investors access to what we believe can be a long-term growth story. The ETF's holdings include video game and related hardware and software developers, streaming services, companies involved in eSports events and more. To be initially included in ESPO's underlying index, companies must generate at least 50% of their revenues from video gaming and/or eSports.

ESPO OFFERS:

Dynamic growth opportunity

Invests in the future of sports and access companies that are positioned to benefit from the increasing popularity of video games and eSports.

Pure play and targeted exposure

Targeted exposure to companies that derive a significant portion of their revenues from the video gaming and eSports industry, driving transformation in the sector.

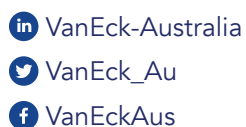
Technology diversification

A diversified portfolio across countries and companies which offers opportunities away from Apple, Amazon, Facebook, Google and Microsoft.

ASX code	ESPO
Commencement date	10 September 2020
Management cost	0.55% p.a.
Index	MVIS® Global Video Gaming and eSports Index
Number of holdings	25
Key risks	An investment in the ETF carries risks associated with: emerging markets, financial markets generally, individual company management, industry sectors, foreign currency, country or sector concentration, political, regulatory and tax risks, fund operations, liquidity and tracking an index. See the PDS for details.

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