GPEQ VanEck Global Listed Private Equity ETF

Access the pursuit of evergreen opportunities

Evergreen opportunities is a term used to describe the increasing number of private, profitable, market-leading businesses that are not listed. You could potentially access the next Google, eBay or Airbnb.

Private equity investors provide capital so that companies can:

- Accelerate growth and expansion.
- Acquire other companies.
- Buy-out shareholders, partnerships or act as lenders.
- Acquire assets or fund projects.

Private equity is the ownership or interest in a corporate entity that is not publicly listed. There are different types of private equity investment. It can involve taking a stake in a growing business, making direct loans to business, or it can be taking control of a company either through outright purchase or through obtaining a controlling equity interest (buy-out). Private equity provides capital to nurture expansion, new products or restructuring with the goal of unlocking greater value for investors.

The difficulty of access

To date this exciting, alternate asset class has only been accessible to large institutional investors and high net worth investors because traditionally, direct investments in private companies and in private equity funds require:

- large capital outlays
- long lockup periods, and
- investors taking a concentrated, illiquid exposure to a small number of private companies – which are often leveraged.

The lure of private equity

Historically, private equity has proven to be an attractive alternative source of growth, commensurate with risk.

Because these long-term projects are high risk and involve large sums, the potential rewards for private equity investors is high. Some of the biggest companies today have relied on private equity to grow, names such as Apple, Google, Facebook and Uber. Likewise, some of the biggest corporate turnarounds and biggest profits on deals have been part of private equity transactions, such as Blackstone's acquisition of Hilton Hotels, Heathrow Airport, Heinz and KKR's buy-out of RJR Nabisco, which is perhaps the most famous.

Fueling the spectrum of technology opportunities

The private equity asset class plays a vital role in the financing and support of technology companies including 'new' and 'growth' technologies, which generally offer the highest growth rate and hence investment return if they achieve a significant market penetration and adoption rate. Since future technologies are by nature unknown, an investor should invest across the full spectrum of technology categories, which are classified below.

Basic technologies are considered to be the foundation for growth and success of other technologies and are the basis of every modern economy. Companies in basic technologies are characterised by comparatively constant yields and low technological risk.

Growth technologies are established and often show high growth rates. This type of technology is typically represented by private medium-sized companies. Access to these companies is possible through private equity funds, often in the context of growth or follow-up financing.

New technologies have a high growth potential if they prevail in the relevant market. Companies in this area are often funded by venture capital funds (equity or debt).

An investor can access a **diversified technology** portfolio by investing in the private equity asset class.

Private equity strategies

Venture

Business stage: Early stage
Technology adoption: New technologies
Markets: Private small-sized companies
Risk: High **Leverage:** Low

Growth

Business stage: Mid stage
Technology adoption: Growth technologies
Markets: Private medium-sized companies
Risk: Moderate/high **Leverage:** Moderate

Buyout

Business stage: Late stage
Technology adoption: Mostly basic technologies with high adoption rates
Markets: Mature markets/private or public
Risk: Moderate **Leverage:** High

Global listed private equity universe

Direct private equity

Investing: Direct from their own balance sheet who then select private companies
Investments: Private companies
Selection: Private companies

Indirect private equity

Investing: Indirect via private equity funds
Investments: Private equity funds (LP)
Selection: Fund managers

Private equity fund manager

Investing: Asset management
Investments: Private market investments

GPEQ
An Australian first

GPEQ aims to provide investors with private equity returns, but with share market liquidity. GPEQ will invest in the 50 largest and most liquid global private equity companies with exposure to venture, growth and buy-out opportunities. The companies will gain their exposure to private equity either:

- directly, that is the company invests directly in private equity from its own balance sheet;
- indirectly, by investing into private equity funds; or
- they are the private equity managers themselves.

Invest in the future

Global listed private equity exposure

Access to a diversified portfolio that provides targeted exposure to venture, growth and buy-out opportunities.

Liquid exposure to an asset class that is generally illiquid

Invest in a transparent portfolio of listed and liquid direct and indirect private equity as well as private equity managers.

Private equity provides investors with high growth potential

Private equity has proven to be an attractive alternative source of growth historically commensurate with risk.

ASX code	ASX commencement	Mgmt. fee*	Index	Stock number	Key risks
GPEQ	25 Nov 2021	0.65% p.a.	LPX50 Index	50	An investment in the ETF carries risks associated with: Listed private equity, ASX trading time differences, financial markets generally, individual company management, industry sectors, foreign currency, country or sector concentration, political, regulatory and tax risks, fund operations and tracking an index. See the PDS and TMD for details.

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*Other fees and costs apply. Please see the PDS for more details.