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VanEck to launch sustainable international equity ETF (ASX: ESGI)

Sydney, 12 February 2018 – VanEck today announced it will shortly launch a new ETF on the Australian Securities Exchange, the VanEck Vectors MSCI International Sustainable Equity ETF (ASX: ESGI), which will provide investors with exposure to a diversified portfolio of international companies meeting in-depth sustainability criteria.

The ETF will track a new state-of-the-art benchmark index, the MSCI World ex Australia ex Fossil Fuel Select SRI and Low Carbon Capped Index. Developed in partnership between VanEck and MSCI, the index leverages MSCI's leadership in environmental, social and governance (ESG) research and screens companies based on fossil fuel reserves, socially responsible activities, ESG performance and carbon emissions.

Arian Neiron, VanEck Managing Director and Head of Asia Pacific, said: "We are excited to launch an all-encompassing and true-to-label sustainable international equity fund, incorporating both values-based and impact investing on the ASX. The ETF is a response to investor demand as investors are re-evaluating traditional investment approaches and are shifting their wealth into investments that reflect their personal values and that have a positive impact on society and future generations," said Neiron.

"ESGI will appeal to these investors by investing in companies that are steering their businesses in a more sustainable and responsible direction. Additionally, a growing body of research reveals that investing in companies that successfully respond to these challenges can deliver improved long-term portfolio performance," said Neiron.

VanEck's ESGI enables investors to access a portfolio of sustainable companies for a fraction of the cost of investing in similar managed funds, with a management cost of just 0.55% per annum. Research house Rice Warner has previously stated that some Australian ethical managed funds charge 'exorbitant fees'.¹

¹ Rice Warner, *Are Ethical Fund Managers Always Ethical?*



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“We are offering a cost effective alternative that is rules-based. By joining with MSCI, the world’s leading ESG index provider, we are offering investors diversified and global exposure to high ESG performing international companies based on MSCI’s world leading in-depth research and analysis,” said Neiron.

Companies in the MSCI World ex Australia ex Fossil Fuel Select SRI and Low Carbon Capped Index are selected out of the MSCI World ex Australia Index. The selection process involves: excluding companies with fossil fuel reserves; excluding companies whose businesses are involved in activities such as alcohol, gambling, tobacco, military weapons, civilian firearms, nuclear power, adult entertainment and genetically modified organisms; including leading ESG performers; and excluding high carbon emitters. The index achieves diversification with constraints on sectors and by capping the maximum weight assigned to each security so that the resultant portfolio retains sector diversification comparable with the MSCI World ex Australia Index.

With over US\$85 billion in institutional, retail and exchange traded assets benchmarked to MSCI ESG indexes,² MSCI is a leader in ESG indexing and research. The ESGI index developed with MSCI by VanEck combines MSCI’s methodologies into a single state-of-the-art index for Australian investors to access the leading ESG performing companies around the world.

“With increased demand from institutional and retail investors for sustainable investing, and a recognition in the financial community that ESG factors play a material role in determining risk and return, we expect this low-cost smart beta international equity ETF to appeal strongly to investors,” said Neiron.

Fund	ASX code	Features	Management Costs
VanEck Vectors MSCI International Sustainable Equity ETF	ESGI	<ul style="list-style-type: none">• True-to-label international sustainable equity ETF incorporating both values based and impact investing• Screens companies based on fossil fuel reserves, socially responsible activities; ESG performance and carbon emissions• Leveraging MSCI’s leadership in ESG research and data	0.55% p.a.

General information only

This information is prepared in good faith by VanEck Investments Limited ABN 22 146 596 116 AFSL 416755 (“VanEck”) as the responsible entity and issuer of VanEck Vectors MSCI International Sustainability ETF ARSN 623 953 177 (“the Fund”). Units in the Fund are not currently available. The Fund has been registered with ASIC and VanEck has lodged an application with ASX for units in the Fund to be admitted to trading status on ASX.

This information is general in nature and not financial advice. It does not take into account any person’s individual objectives, financial situation or needs. Before making an investment decision investors should read the product disclosure statement and with the assistance of a financial adviser consider if it is appropriate for their circumstances. A copy of the PDS is expected to be made available from the commencement of the prescribed exposure period on 9 February 2018 at www.vaneck.com.au or by calling 1300 68 38 37. The PDS is subject to review by ASIC and therefore subject to change.

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The Fund is subject to investment risk, including possible loss of capital invested. Past performance is not a reliable indicator of future performance. No member of the VanEck group guarantees the repayment of capital, the payment of income, performance, or any

² As at September 2017 based on Bloomberg, Morningstar and MSCI data. Active AUM includes data as of June 2017 reported in September 2017 by eVestment. Data excludes mandate or policy benchmark related assets.



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particular rate of return from the Fund.

ESGI is indexed to a ESGI index. ESGI is not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to ESGI or the MSCI Index. The PDS contains a more detailed description of the limited relationship MSCI has with VanEck and ESGI.

About VanEck

Founded in 1955, VanEck was among the first asset managers helping investors achieve greater diversification through global investing. Today we are recognised for being a pioneer in global markets and for drawing on our experience to offer innovative solutions. We offer these solutions to individual investors and institutions, including endowments, foundations, pension plans and private banks.

With offices in key financial centres and regions including New York, Sydney, Shanghai, Frankfurt, Madrid and Zurich, VanEck offers investors broad investment reach with deep experience.

Further information about VanEck is available at vaneck.com and vaneck.com.au