

## Design and Distribution Obligations

### What are the Design and Distribution Obligations (DDO)?

The DDO regime attaches obligations to issuers that design financial products and distributors that distribute financial products that are bought by retail clients. On 5 October 2021, DDO will come into effect for these issuers and distributors. We are currently working through our obligations as an issuer and distributor, as well as how we work with the distributors of our products to meet these new requirements.

DDO requires issuers and distributors of financial products to have a consumer-centric approach to the design and distribution of their products, with the aim of helping consumers to obtain financial products that are appropriate for their likely objectives, financial situation and needs.

The obligations apply to a broad number of financial products including (but not limited to) home loans, credit cards, asset finance, wrap platforms, managed funds and bank accounts.

### What is a Target Market Determination (TMD)?

As a product issuer, it is VanEck's responsibility to create a TMD for each of our products.

A TMD is a document that describes who the Fund is appropriate for (target market), and any conditions around how the Fund can be distributed to retail customers. It also describes the events or circumstances where we may need to review the TMD for a Fund.

### What must product issuers and distributors do?

#### Key obligations for a product issuer

Our key responsibilities as a product issuer are:

- to create and maintain the TMD for all our products
- to take reasonable steps to ensure our products are distributed in line with our TMDs.

#### Key obligations for a product distributor

The key obligations for product distributors are:

- to ensure there's a TMD in place for all of the financial products that they distribute
- to understand and follow the distribution conditions and reporting requirements set by the product issuer in the relevant TMD, e.g. they must collect and keep the information specified in the TMD, including complaint numbers (even where no complaints are received)
- to take reasonable steps to ensure the product is distributed in line with the TMD
- to keep records of distribution information
- to report information to the issuer as required by the TMD.

## Frequently asked questions

### What are distribution conditions?

Distribution conditions are conditions or restrictions on the sale of a product, put in place by VanEck, to ensure that the Fund is sold to retail investors in line with the TMD. Product distributors will need to adhere to the distribution conditions established in the TMD (if any).

### If you are a distributor of our product/s, what is expected of you?

You are expected to understand the requirements we establish in the TMDs for our Funds. This means you need to:

- understand the target market defined in a TMD and take reasonable steps to ensure the Fund is distributed in accordance with the TMD
- understand and adhere to any distribution conditions (if any) established in the TMD
- provide information as specified in the TMD, at the required frequency and in the required form
- keep accurate records of the reasonable steps taken and any information provided to us
- report to us complaints information (even where no complaints are received)

**IMPORTANT NOTICE:** VanEck Investments Limited is the responsible entity and product issuer of a range of VanEck exchange traded funds ('Funds'). This information contains general advice only about financial products and is not personal advice. It does not take into account any person's individual objectives, financial situation or needs. Before making an investment decision in relation to a VanEck Fund, you should read the relevant PDS available at [www.vaneck.com.au](http://www.vaneck.com.au) or by calling 1300 68 38 37 and with the assistance of a financial adviser consider if it is appropriate for your circumstances. No member of the VanEck group of companies gives any guarantee or assurance as to the repayment of capital, the performance, or any particular rate of return of any VanEck Fund. Past performance is not a reliable indicator of future performance.