Dear investors,

I hope you are well and enjoying the summer days.

As the holidays approach, I wanted to provide you with an insightful quarterly update on our UCITS ETFs. This update will cover important milestones such as new fund launches, flows, best performers, and our outlook for specific sectors that we believe deserve investor attention. Feel free to reach out if you have any specific inquiries, and we can arrange a Zoom or physical meeting at your convenience. We have dedicated product presentations available for all our UCITS ETFs, offering detailed insight into the investment case and index methodology – Upon request, I can happily send these over!

Milestones & Highlights

1. VanEck Semiconductor UCITS ETF back to $1billion AUM.
2. VanEck Blockchain Innovators UCITS ETF remains the best-performing ETF in Europe, with impressive returns of **USD**-48% QTD, **CHF**-45% (April-June), and **USD**-198% or **CHF**-188% YTD.
3. Newly launched VanEck Defense UCITS ETF increasingly gains assets and performed 11% QTD, reflecting increased national security spending.
4. Newly launched Uranium & Nuclear Technologies UCITS ETF attracts client interest and performs 13% QTD, riding the wave of rising support for scalable clean energy sources.
5. Introduction of VanEck Oil Services ETF, providing upstream exposure to the oil sector while excluding E&Ps (Exploration and Production).
6. Largest ETF Flows QTD remain in the VanEck Global Mining UCITS ETF despite lacking performance, signaling investor confidence in the commodity super-cycle.

MOAT webinar Tomorrow:
Featuring Morningstar's Analysts discussing competitive advantages and fair value approach, and how they are incorporated into our ETFs.

Investing in the Defence sector
Introducing our unique VanEck Defense UCITS ETF, offering exposure to the dynamic and essential defence sector.

Today, more than ever, the defence sector plays a pivotal role in maintaining global security and stability. However, it encompasses far more than traditional notions of warfare. It encompasses industries and technologies that contribute to disaster response, safety-related software, cybersecurity, and beyond. Against the backdrop of global military spending, which rose by an astounding 3.7% last year alone, reaching a "record high" of $2.24 trillion (Stockholm International Peace Research Institute), companies are continuously investing in cutting-edge technologies and equipment to safeguard nations.

Policy changes and government regulations, such as the 2017 National Defence Authorisation Act and the proposed 2022 budget under the Biden administration, continue to support the sector. Further, regulatory changes like amendments to the International Traffic in Arms Regulations (ITAR) and NATO member countries' commitment to spend 2% of GDP on defence by 2024, suggest a buoyant demand for defence products and services. Especially since Many NATO countries have regularly spent less than the 2% target and are now rushing to catch up.

Our ETF features companies across various defence industry sub-sectors:
1. Aerospace & Defence Products: e.g., Huntington Ingalls Industries
2. Communication Systems & Satellites: e.g., Thales Sa
3. Unmanned Vehicles: e.g., AeroVironment
4. Cybersecurity Software: e.g., BWX Technologies
5. Training & Simulation Software: e.g., Dassault Aviation
6. Digital Forensics & Biometrics: e.g., OSI Systems

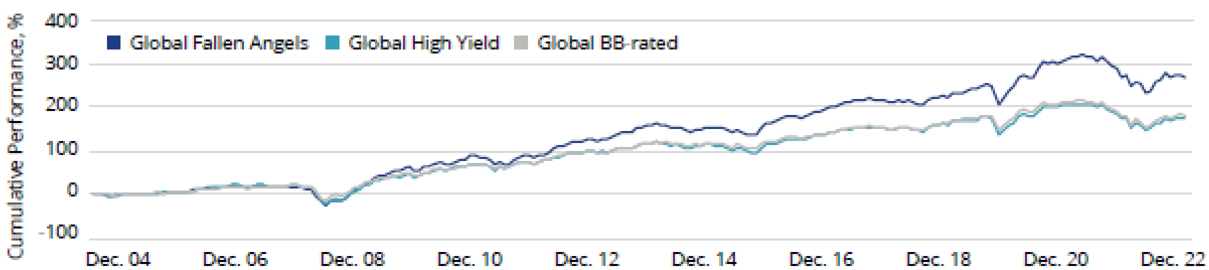
These examples exemplify the breadth and depth of companies operating in each sub-sector of the defence industry, showcasing their expertise and significant contributions. With a focus on deriving at least 50% of their current revenue from these themes (25% for current constituents), these companies ensure a pure-play industry exposure within our Defence ETF. Risks associated with such an investment are for example industry/concentration risk, liquidity risk and regulatory risk.

Fallen Angel Bonds – beating high yield consistently

High-yield bonds have for decades been part of investors' portfolios who expect credit spread tightening. An interesting market dynamic can be found within a specific subset of high-yield bonds, namely Fallen Angels i.e., bonds that were originally issued as investment-grade and subsequently derated to high-yield.

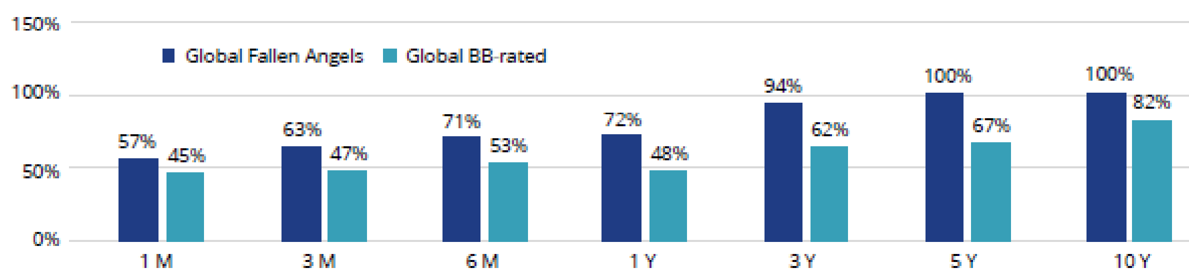
The performance vs high-yield is pretty compelling, most impressive is the consistency, its "batting average" (second chart)

Fallen angels – a history of outperformance



Source: ICE Data Indices, LLC, data as of 31 May 2023. Here and thereafter Global Fallen Angels are represented by ICE Global Fallen Angel High Yield 10% Constrained Index, Global High Yield by ICE BofA Global High Yield Index and Global BB-rated bonds by ICE BofA BB Global High Yield Index. Past performance is not a guarantee of future results.

Fallen angels' persistent performance "batting average" against high yield



Source: ICE Data Indices, LLC, data from 31 Dec 2004 until 31 May 2023.

Investors need to monitor the risks associated with fallen angel bonds, namely high yield securities risk, interest rate risk and credit risk, among others.

Why does it normally outperform?

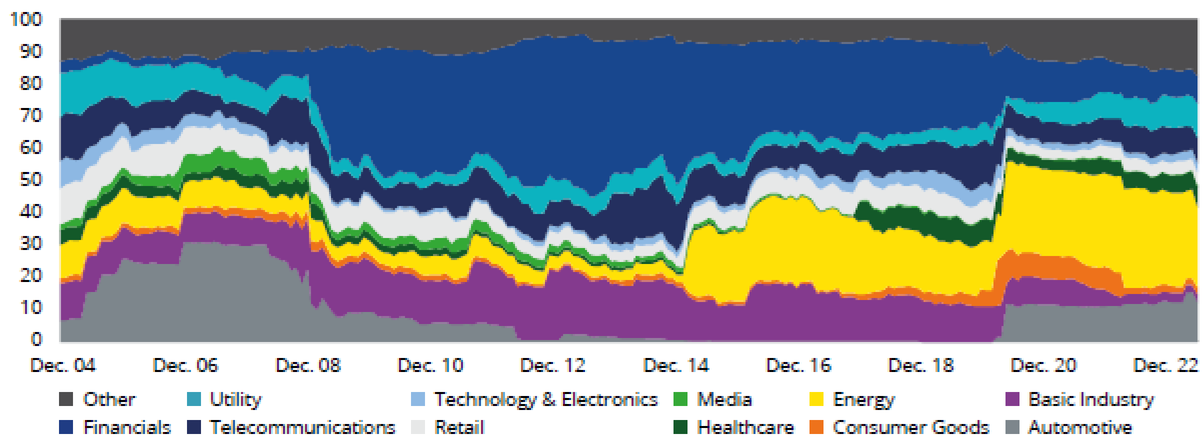
Explaining the anomaly of fallen angel outperformance is difficult. Nothing specific in current or historic credit rating distributions does so. Similarly, the duration of fallen angel bonds does not explain the anomaly. While on average fallen angels have greater durations than the high yield bonds, they have not always behaved as this would imply. On the contrary: when US, European, and UK central banks raised rates in 2022 fallen angels held their own and outperformed broad high yield by 27 basis points over the calendar year.

Part of the explanation for the fallen angel anomaly is that they become oversold in anticipation of a downgrade as large investors restricted from holding sub-investment grade do so. Research shows that bond prices drop on average by more than 8% ahead of a rating change. Yet they then recover by about

6%, following a V-shaped pattern. Systematically investing in these bonds when prices have bottomed can therefore provide significant outperformance.

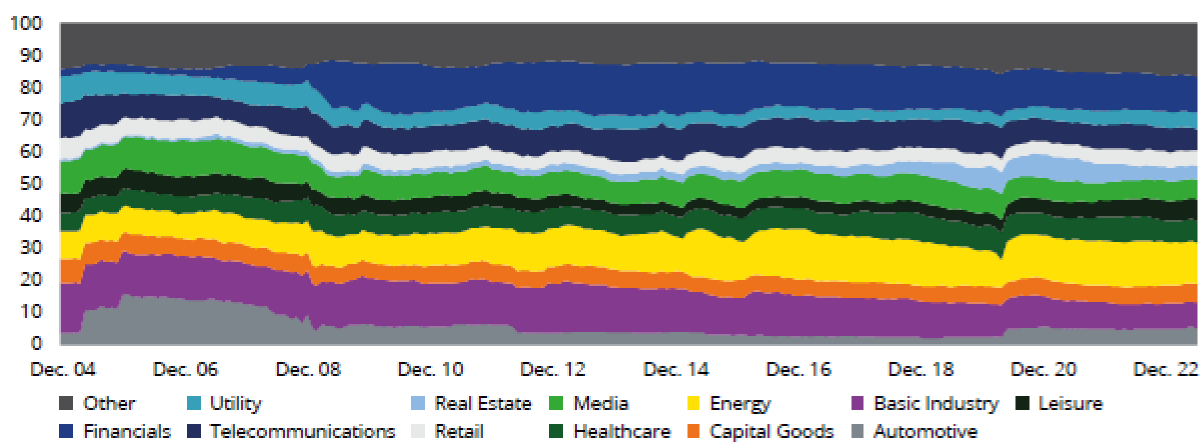
A longer-term reason for outperformance may lie in the contrarian nature of fallen angels – these angels expelled from the heaven of investment grade have been at the heart of recent crises. While the high-yield universe's sector composition has remained stable, fallen angels are dynamic with a bias towards the out-of-favor. For instance, the 2008-2009 global financial crisis turned many financial issuers into fallen angels, while the 2014- 2016 oil price plunge did the same for energy companies.

Sector Allocation(%), Fallen Angels



Source: ICE Data Indices, LLC, data from 31 Dec 2004 until 31 May 2023.

Sector Allocation(%), Global High Yield



Source: ICE Data Indices, LLC, data from 31 Dec 2004 until 31 May 2023.

Semiconductors: AI on the design floor

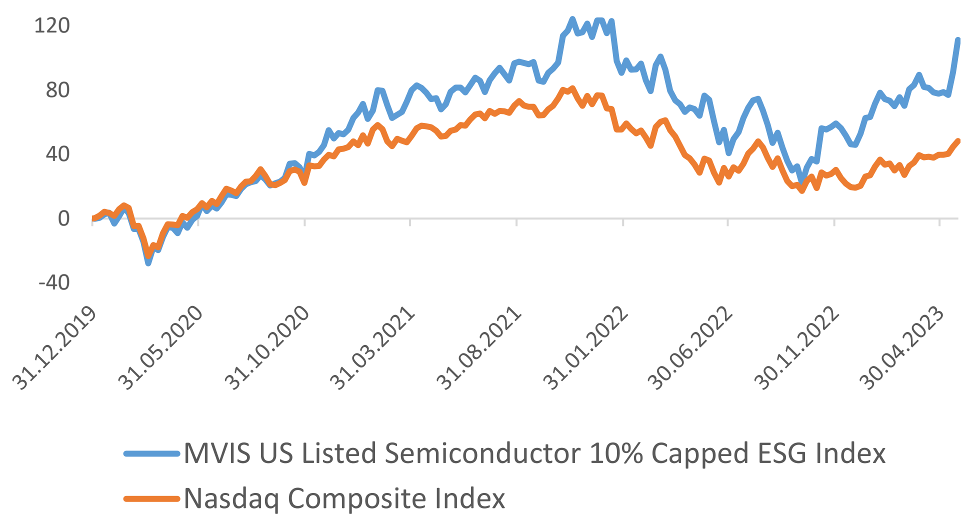
The recent performance of the semiconductor space has rightfully turned some heads. The emergence of AI applications for recreational, industrial, and commercial uses has increased sales forecasts and driven multiples expansion. Ahead of the race were companies such as Nvidia and AMD, both of which have a competitive advantage in GPUs (graphic processing units) which are crucial for parallel matrix calculation and thus, AI model training.

A very important part of the picture, however, is that AI is not only powered by semiconductors but also contributes to their evolution as well. With AI, we can explore exponentially more chip design variations, creating task-specific chips optimized for efficiency and performance in their intended applications. This approach, often called "AI on the design floor," enables us to continue advancing semiconductors despite the constraints of physical limits. With the help of AI, we believe the semiconductor industry is positioned to continue its positive trajectory, driving digital transformation across sectors for decades to come.

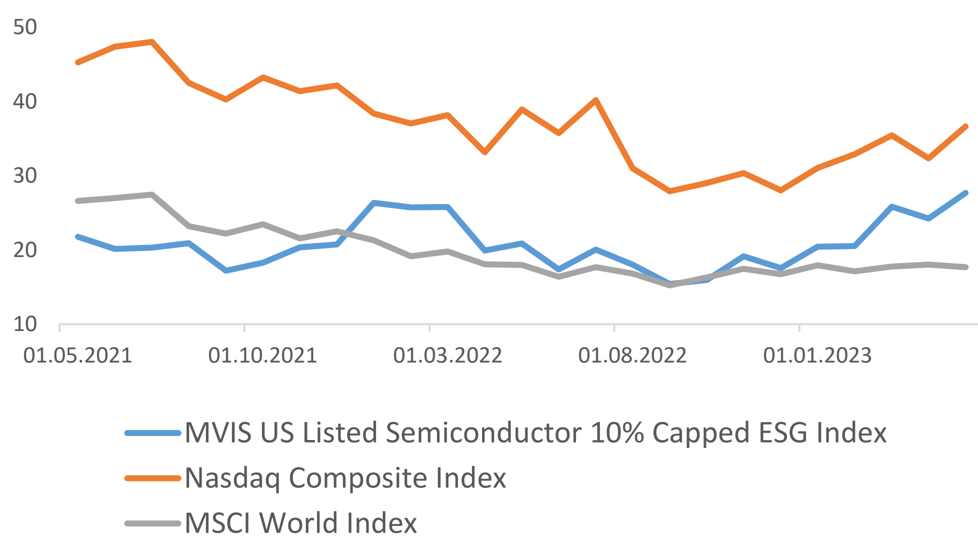
Furthermore, financial incentives and capital inflows from the proposed public sector acts such as the U.S. Chips Act ($39bn investment incentive, $11bn R&D) and European Chips Act (€43bn "investments") will most likely not hurt innovation and profitability of Semi-businesses.

Even though the [MVIS US listed Semiconductor 10% Capped ESG Index] has outperformed the Nasdaq composite, valuations don't appear to be stretched on a relative basis (second graph).

Consistent Outperformance



Trailing P/E Evolution



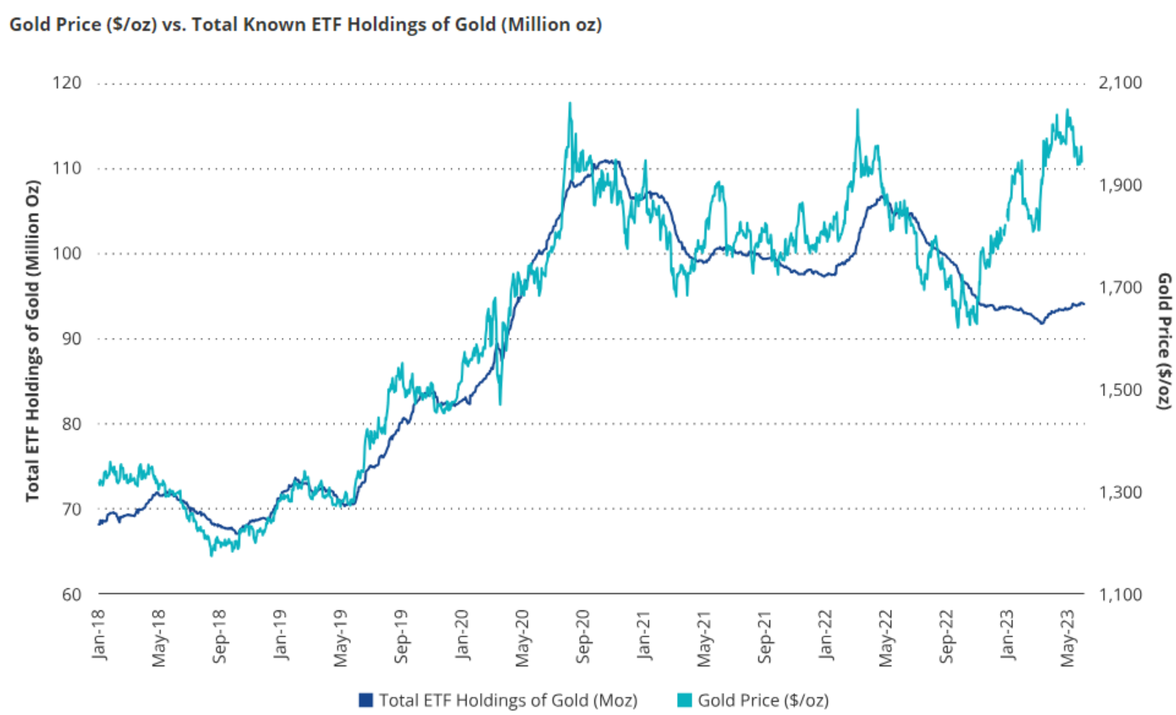
Source: Bloomberg, VanEck

VanEck has emerged as a leader in the semiconductor space, managing the largest passive investment strategy worldwide with, as of 30/06/2023, more than $10Bn AUM. The VanEck Semiconductor UCITS ETF has recently surpassed the $1Bn threshold. It offers a pure-play exposure to 25 US-listed companies deriving at least 50% of revenues from semiconductors or related activities (25% for current constituents). The ETF provides comprehensive access to the entire semiconductor value chain, mainly composed of 4 kinds of participants:

1) **Foundry Operators** such as TSMC that produce chips for different chip designers
2) **Integrated device manufacturers** (IDMs), like Intel, who manage the entire production chain, from design to final manufacturing
3) Pure **chip designers** like NVIDIA or AMD
4) **Equipment producers** like ASML supply the essential machinery and tools used in the manufacturing of semiconductor chips, supporting both foundry operators and integrated device manufacturers.

Investors should keep in mind risks related to the cyclicality of the semiconductor industry as well as technological and geopolitical risks.

Gold – Of course, there's a VanEck gold update!
Gold has traded in the 1700-2075$ range for three years and tested the high three times, but failed at every attempt. Even though the recent banking crisis shot gold up to above 2000 again (mainly central banks and specs), Gold ETF flows have been muted and investors are (still) staying on the sidelines (see chart below).



Source: Bloomberg, June 2023

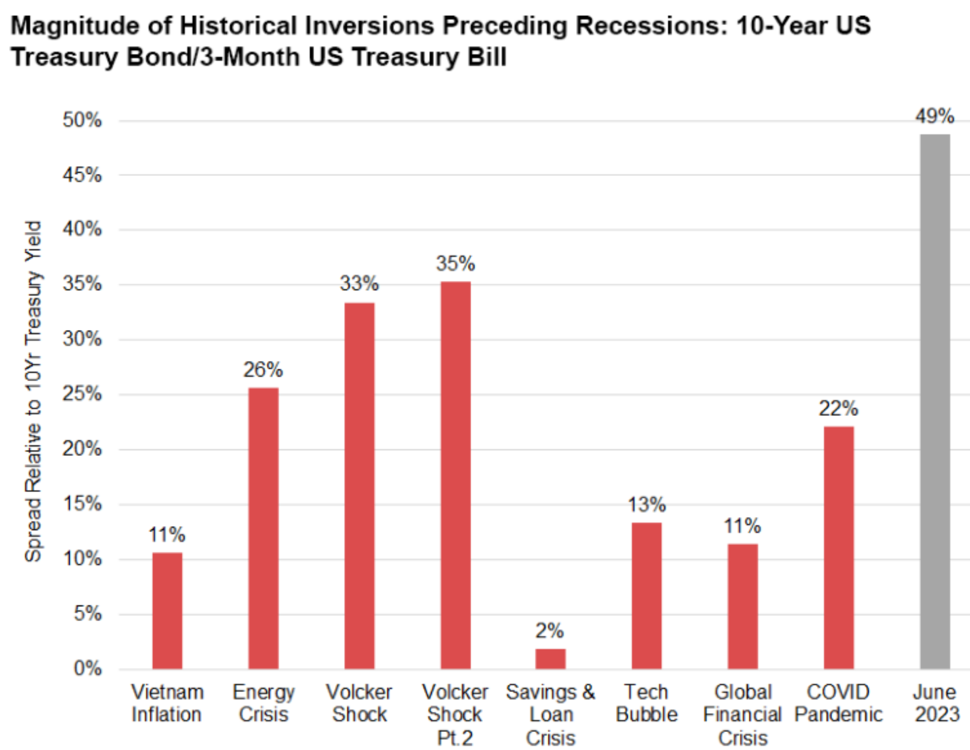
Positive sentiment is especially crucial for gold and will return once new highs are established and investors regain confidence. It is very hard to tell if that will happen in the near future.

Nevertheless, the following are the main reasons we believe gold can again test the highs and in the longer term, maintain a higher floor price.

- **More risk events are likely.** Geopolitical tensions continue to escalate as countries choose sides between East and West. Meanwhile, financial risks are also high. So far, rising rates have exposed black swans in the UK pension system and among mid-tier U.S. banks. The U.S. Federal Reserve (Fed) has indicated rates could remain elevated for an extended period.

- **There is reason to believe the dollar will be less of a headwind to gold.** The Fed is probably nearing the end of its rate hiking cycle. Many emerging markets countries are increasing their gold reserves and increasing trade in local currencies in an effort to decrease their exposure to the U.S. dollar. The Fed is in the process of reducing its balance sheet, which holds trillions in Treasuries. Central banks globally have also been reducing their Treasury exposure.

- **Recession.** Lastly, the U.S. entered a manufacturing recession in 2023, and tightening credit markets could push the entire economy into recession. A banking system and commercial real estate market under stress add fuel to the hard landing scenario. The magnitude of the current yield curve inversion far surpasses previous inversions (see chart below)



Source: Research Affiliates

What about Gold Miners?
Whilst gold had a YTD performance of 4.6% the miners are only up 2.3% (as of 28th June). Usually gold has a leverage factor to the upside. In May gold dropped 1.0% whilst GDX dropped 7.5%, even though many miners surprised with better-than-expected earnings. This suggests that the leverage factor of miners vs bullion this year has only worked on the downside – not ideal. However, this suggests that miners may be undervalued vs gold. With the average all-in sustained production cost to produce an ounce of gold being at approx. 1200$ and gold above 1900$, miners enjoy a healthy free cash flow. Together with their focus on shareholder returns and their relatively low debt, we believe miners should pick up again in performance congruent with their fundamentals.

Best regards,

Roman

Roman Poole

Sales Associate

rpoole@vaneck.com | www.vaneck.com

VanEck Switzerland AG

Genferstrasse 21 | 8002 Zurich | Switzerland

DIR +41 (0)44 562 4068 | MOB +41 (0)79 239 6696

Important Disclosures

For informational and advertising purposes only.

This information originates from VanEck (Europe) GmbH, which has been appointed as distributor of VanEck products in Europe by the Management Company VanEck Asset Management B.V., incorporated under Dutch law and registered with the Dutch Authority for the Financial Markets (AFM). VanEck (Europe) GmbH with registered address at Kreuznacher Str. 30, 60486 Frankfurt, Germany, is a financial services provider regulated by the Federal Financial Supervisory Authority in Germany (BaFin). The information is intended only to provide general and preliminary information to investors and shall not be construed as investment, legal or tax advice. VanEck (Europe) GmbH and its associated and affiliated companies (together "VanEck") assume no liability with regards to any investment, divestment or retention decision taken by the investor on the basis of this information. The views and opinions expressed are those of the author(s) but not necessarily those of VanEck. Opinions are current as of the publication date and are subject to change with market conditions. Certain statements contained herein may constitute projections, forecasts and other forward looking statements, which do not reflect actual results. Information provided by third party sources are believed to be reliable and have not been independently verified for accuracy or completeness and cannot be guaranteed. All indices mentioned are measures of common market sectors and performance. It is not possible to invest directly in an index

VanEck Asset Management B.V., the management company of VanEck Gold Miners UCITS ETF, VanEck Semiconductor UCITS ETF and VanEck Global Fallen Angel High Yield Bond UCITS ETF (the "ETFs"), sub-funds of VanEck UCITS ETFs plc, is a UCITS management company incorporated under Dutch law and registered with the Dutch Authority for the Financial Markets (AFM). VanEck Asset Management B.V. transferred the investment management for the VanEck Global Fallen Angel High Yield Bond UCITS ETF to Van Eck Associates Corporation, an investment company regulated by the U.S. Securities and Exchange Commission (SEC). The ETFs are registered with the Central Bank of Ireland. The value of the ETF assets may fluctuate heavily as a result of the investment strategy. If the underlying index falls in value, the ETF will also lose value.

MVIS® US Listed Semiconductor 10% Capped ESG Index is the exclusive property of MarketVector Indexes GmbH (a wholly owned subsidiary of Van Eck Associates Corporation), which has contracted with Solactive AG to maintain and calculate the Index. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards MarketVector Indexes GmbH ("MarketVector"), Solactive AG has no obligation to point out errors in the Index to third parties. The VanEck Semiconductor UCITS ETF is not sponsored, endorsed, sold or promoted by MarketVector and MarketVector makes no representation regarding the advisability of investing in the Fund.

Investors must read the sales prospectus and key investor information before investing in a fund. These are available in English and the KIDs in certain other languages as applicable and can be obtained free of charge at www.vaneck.com or from the Management Company.

All performance information is historical and is no guarantee of future results. Investing is subject to risk, including the possible loss of principal. You must read the Prospectus and KID before investing in a fund.