

VanEck BDC Income ETF (BIZD®)

Acquired Fund Fees and Expenses

An SEC rule addressing funds of funds (such as BIZD) adopted in 2006, requires a fund of funds to report a total expense ratio in its prospectus fee table that accounts for both the expenses that a fund pays directly out of its assets (direct expenses), and the expense ratios of the underlying funds, including business development companies (BDCs), in which it invests are called acquired fund fees (AFFEs). AFFEs are indirect expenses. This disclosure is designed to provide investors with a better understanding of the actual costs of investing in a fund that invests in other funds. Accordingly, the prospectus for BIZD discloses its AFFEs which are expected to be 9.66%. However, because these fees are not borne directly by the Fund, they will not be reflected in the expense information in BIZD's financial statements. Information presented in the prospectus table will differ from financial highlights presented in BIZD's reports to shareholders, when available. The direct net expenses that will be borne by BIZD are anticipated to be 0.41%.

What are BDC acquired fund fees and expenses?

BDCs, like all publicly traded companies, have operating expenses, such as payroll and real estate expenses. BDCs report these expenses in their financial statements, which impact the price of their securities. Additionally, many BDCs are externally managed. The external management company typically charges a management fee to the BDC based on total net assets. Some external managers will also charge an incentive fee. These fees are reflected in a BDC's financial statements and also impact the price of their securities.

What is the difference between a direct Fund expense and indirect Fund expense?

Direct Fund Expenses: Expenses and fees, such as management fees and custody fees typically accrue daily and are paid monthly. These expenses are borne directly by the Fund and reduce the Fund's net assets, thus detracting from total return.

Indirect Fund Expenses: AFFEs are not accrued daily, nor are they paid directly from the Fund's net assets. They reflect the Fund's pro rata share of fees and expenses incurred by investing in acquired funds. AFFEs are reflected in the prices of the acquired funds, and thus are included in the total returns of the Fund.

BIZD Expenses Explained¹ As of September 1, 2021

Fee/Expense Type	Amount	Direct/Indirect
Management Fee	0.40%	Direct Expense
Other Expenses	0.01%	Direct Expense
Acquired Fund Fees and Expenses	9.66%	Indirect Expense
Gross Expense Ratio	10.07%	0.41% Direct Expense, 9.66% Indirect Expense
Fee Waivers and Expense Reimbursement	-	
Net Expense Ratio	10.07%	0.41% Direct Expense, 9.66% Indirect Expense

¹Van Eck Associates Corporation (the "Adviser") will pay all expenses of the Fund, except for the fee payment under the investment management agreement, acquired fund fees and expenses, interest expense, offering costs, trading expenses, taxes and extraordinary expenses. Notwithstanding the foregoing, the Advisor has agreed to pay the offering costs until September 1, 2022.

Are AFFE reflected in a Fund's financial statements?

No. Because acquired fund fees and expenses are not borne directly by the Fund, they will not be reflected in the expense information in the Fund's financial statements or the Fund's financial highlights included in the Fund's reports to shareholders.

Business Development Companies (BDC) invest in private companies and thinly traded securities of public companies, including debt instruments of such companies. Generally, little public information exists for private and thinly traded companies and there is a risk that investors may not be able to make fully informed investment decisions. Less mature and smaller private companies involve greater risk than well-established and larger publicly traded companies. Investing in debt involves risk that the issuer may default on its payments or declare bankruptcy and debt may not be rated by a credit rating agency. Many debt investments in which a BDC may invest will not be rated by a credit rating agency and will be below investment grade quality. These investments have predominantly speculative characteristics with respect to an issuer's capacity to make payments of interest and principal. BDCs may not generate income at all times. Additionally, limitations on asset mix and leverage may prohibit the way that BDCs raise capital. The Fund and its affiliates may not own in excess of 25% of a BDC's outstanding voting securities which may limit the Fund's ability to fully replicate its index. An investment in the Fund may be subject to risks which include, among others, investment restrictions, financial sector, small- and medium-capitalization companies, equity securities, market, operational, index tracking, authorized participant concentration, no guarantee of active trading market, trading issues, passive management, fund shares trading, premium/discount risk and liquidity of fund shares, issuer-specific changes and concentration risks. Small- and medium-capitalization companies may be subject to elevated risks.

MVIS® US Business Development Companies Index (the "Index") is the exclusive property of MV Index Solutions GmbH (a wholly owned subsidiary of the Adviser), 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 MV Index Solutions GmbH, Solactive AG has no obligation to point out errors in the Index to third parties. VanEck BDC Income ETF (the "Fund") is not sponsored, endorsed, sold or promoted by MV Index Solutions GmbH, and MV Index Solutions GmbH makes no representation regarding the advisability of investing in the Fund.

Investing involves substantial risk and high volatility, including possible loss of principal. Bonds and bond funds will decrease in value as interest rates rise. An investor should consider the investment objective, risks, charges and expenses of the Fund carefully before investing. To obtain a prospectus and summary prospectus, which contains this and other information, call



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