

Responsible Investment Policy

Introduction

For VanEck* (the "Firm"), appropriate consideration of environmental, social, and governance ("ESG") factors can be an important element of both its investment philosophy and processes. As part of its continuing commitment to responsible investment, when material, appropriate and possible, the Firm seeks to incorporate these factors into not only its investment analysis, but also its engagement practice.

The Firm has been a signatory to the Principles for Responsible Investment since 2017. In addition, through its involvement with the Emerging Markets Investors Alliance, the Firm is helping enable institutional emerging market investors to support transparency, good governance, promote sustainable development and improve investment performance in the governments and issuers in which they invest.

ESG Integration

VanEck applies its ESG approach, as appropriate, across asset classes, regions and markets.

VanEck is a global firm with separate investment teams in different countries around the world. The Firm's approach to responsible investment, therefore, depends upon not only asset class, region and market, but also client needs, together with both local market practices and regulations. As a result, implementation of the Firm's responsible investment principles varies across investment teams and is predicated upon not only the ability of each team, where appropriate, to integrate ESG into its processes and investment approach, but also both the markets in which such team operates, together with its clients' needs. For these reasons and to provide further clarity relating to their markets, VanEck's operations in Europe have their own [Responsible Investment Policy](#) and VanEck's wholly-owned subsidiary in Australia, VanEck Investments Limited, also has its own [Responsible Investments Policy](#).

The Firm believes that proper management by an issuer of its ESG-related risks and opportunities should not only translate into differentiated operational strength, financial performance and prospects, but may also have an impact on valuation. For these reasons, the Firm recognizes that it can be in the interest of its clients to include ESG considerations when making an investment decision. The Firm also believes that there is a greater likelihood that issuers exhibiting strong ESG practices will be more competitive and successful over the medium to long term.

VanEck also believes that an important part of its responsibility to clients lies not only in encouraging change that can protect, enhance and provide opportunities for clients to meet their investment objectives, but also in seeking to mitigate associated risks, including those related to ESG.

In the context of bottom-up equity research, for example, when material and relevant, ESG factors can be important components of the Firm's active management evaluation process. VanEck views corporate governance as an important component of an investment thesis. It views it as input to an evaluation of both management quality and the protections extended to shareholders' interests, particularly those of minority shareholders and especially in emerging markets. Since ESG factors can impact financial performance, VanEck believes that the analysis of such issues can also be an important component of the fixed income research and investment process. These factors can, for example, be relevant when considering both issuer risk and creditworthiness.

Key ESG Factors

ESG factors and their relative importance can vary depending on the type of investment opportunity. While the Firm uses external resources, such as Bloomberg's ESG functionality, Refinitiv and third-party sell-side research, it finds that experience and judgement, combined with outside information and analyses, provide the best approach to this part of the investment process. On a continuing basis, and as part of its research on each industry and/or sector in which it actively invests, the Firm seeks to clarify which environmental, social and governance factors, if any, may be most material.

Governance

Since its earliest days, good governance practices have remained of importance for the Firm. Over the years, VanEck has increased its interactions, and dialogues, around governance with many of the issuers in which it invests. The Firm believes that these interactions can often be to mutual advantage. Its experience in emerging markets has shown this to be the case, particularly with issuers that have limited experiences as public enterprises with major foreign shareholders.

VanEck considers an issuer's business practices, in particular adherence to industry best practices, in the investment decision process. The Firm values investments in issuers that engage in honest business dealings and is, for example, mindful of such issues as misaligned, or overly generous, compensation schemes and M&A decisions where insiders seek to benefit disproportionately.

Among the challenges faced by the Firm's active emerging markets equity investment team, for example, are those associated with large insider (or state) ownership, inconsistent and unevenly applied regulations, local accounting norms and those challenges that come with diverse institutional ownership. VanEck believes that consideration of governance issues in emerging markets remains an important component of the analysis of active investment opportunities.

VanEck's active emerging markets fixed income team also views governance as an important component from the perspective of a bondholder. Regardless of the nature, or the country of domicile, of a bond issuer, the investment team may review governance factors as important parts of its due diligence.

Environmental and Social

VanEck considers environmental and social factors also to be of importance to an investment thesis, although these may vary widely depending on the nature of the investment. For environmental and social matters, VanEck believes certain industries, such as either mining or energy, tend to display more persistent risks. When either considering or monitoring an investment in these industries, the active investment teams will seek to analyze the risks that may appear in those areas. They understand the importance not only of issuers' adherence to best environmental and social practices, but also to overarching industry best practices.

Since the Firm believes that its personal interaction with, and knowledge of, issuers is important, many of its active investment teams' members will seek to travel to visit prospective and current portfolio issuers. This can afford an important opportunity to assess for themselves the environmental and social (especially community) impacts of particular enterprises, activities and undertakings.

In addition, for issuers involved in both mining and energy, such visits can provide an opportunity to see, for example, any safety protocols that may be in place. For its actively managed investments in these industries in particular, VanEck pays special attention to health, safety, security and environment ("HSSE"), since we believe a strong HSSE record may correlate with strong operating performance. Visits can also help the investment teams better understand environmental "context" and, very often, get a better sense of both the communities within which the issuers operate and their place within those communities.

Engagement

Active engagement also continues to be an important element of both the Firm's investment philosophy and processes.

As part of the Firm's bottom-up investment process, its active investment teams seek to meet, when possible, with issuers' management, and representatives of bond issuers, prior to investing. Once it invests, VanEck seeks to continue to have regular dialogue and may, where relevant, raise ESG issues pertinent to that issuer or industry. It may, for example, discuss a board's focus on ESG or, more specifically, an issuer's environmental record, safety record, community engagement, energy and resource efficiency or labor relations. When VanEck raises ESG-related issues during these meetings, it does so (among others reasons) in order not only to gain a better understanding of goals and risks, but also to understand better, and advocate adherence to, best practices. In addition, the Firm may engage on such issues if asked to by issuers themselves.

The Firm's investment teams also engage with clients on their concerns, including those around ESG. Beyond its analysis of ESG factors described above, the Firm offers clients with separately managed accounts the flexibility to implement their own additional and specific investment requirements. VanEck has the ability, for example, to customize separately managed accounts and manage them with screens.

Proxy Voting

As one way of realizing its duty as a responsible active investor, VanEck seeks to consider ESG factors when voting securities owned by the clients for which it has been delegated voting authority. Generally, the majority of proxy votes tend to be management proposals that usually cover more corporate- and governance-related issues (board, audit/financials, capital management, compensation, statutes, meeting administration and M&A).

To assist in its responsibility for voting proxies and the overall voting process, VanEck retains the services of an independent third-party proxy voting specialist, Glass Lewis, and has adopted Glass Lewis' Proxy Voting Guidelines as the Firm's guidelines. The services provided by Glass Lewis include in-depth research, global issuer analysis and voting recommendations, as well as vote execution, reporting and recordkeeping. In certain circumstances, the portfolio manager may vote against Glass Lewis' recommendations.

Conclusion

As part of its continuing commitment to responsible investing, VanEck seeks to give appropriate consideration to environmental, social, and governance factors as important elements of both its investment philosophy and processes. The Firm also understands the importance of active engagement with the issuers in which it invests.

VanEck recognizes that intentions, thinking and evidence in the ESG space continue to develop. It remains committed to trying to identify those factors that can protect, enhance and provide investment opportunities for clients. VanEck believes that this work helps: 1) the Firm to meet its fiduciary duty to its clients; 2) its clients to achieve their objectives; and, 3) further foster improved corporate behavior.

*VanEck is the marketing name for Van Eck Associates Corporation and its affiliated entities.

DISCLOSURES

ESG investing is qualitative and subjective by nature, and there is no guarantee that the factors utilized by VanEck or any judgment exercised by VanEck will reflect the opinions of any particular investor. Information regarding responsible practices is obtained through voluntary or third-party reporting, which may not be accurate or complete, and VanEck is dependent on such information to evaluate a company's commitment to, or implementation of, responsible practices. Socially responsible norms differ by region. There is no assurance that the socially responsible investing strategy and techniques employed will be successful. **An investment strategy may hold securities of issuers that are not aligned with ESG principles.**

ESG integration is the practice of incorporating material environmental, social and governance (ESG) information or insights alongside traditional measures into the investment decision process to improve long term financial outcomes of portfolios. **Unless otherwise stated within an active investment strategy's investment objective, inclusion of this statement does not imply that an active investment strategy has an ESG-aligned investment objective, but rather describes how ESG information may be integrated into the overall investment process.**

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Van Eck Associates Corporation
666 Third Avenue | New York, NY 10017
vaneck.com | 212.293.2000