

September 2020

VanEck[®]

Access the opportunities.

Video Gaming & Esports: Taking Media and Entertainment to the Next Level

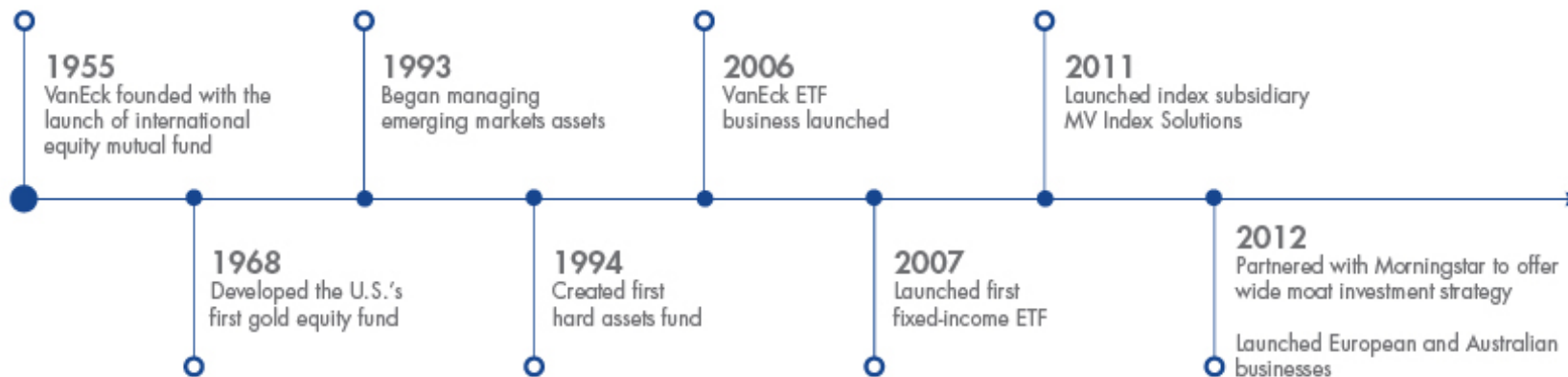
ESPO[®] VanEck Vectors[®] Video Gaming and eSports ETF

Mission and History



VanEck's mission is to strengthen portfolios by offering forward looking, intelligent solutions

- **Transformative Investments:** Started offering active strategies in international equities (1955), gold shares (1968), emerging markets (1993); added passive strategies in 2006 and has emerged as top 10 ETF sponsor globally
- **Private Ownership:** As an independent, private firm we can focus on client interests with a long-term perspective
- **Accessible Management:** We pride ourselves on being available to clients and engaging directly with them

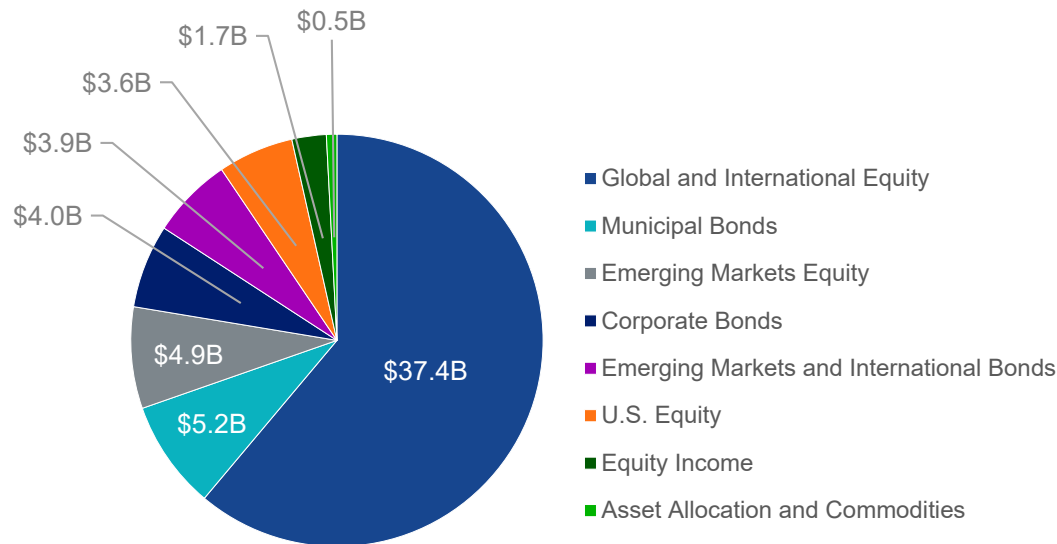


Corporate Overview



Today, VanEck manages \$61.2 billion in assets

- Global headquarters in New York with robust lineups of local funds in Europe and Australia
- 303 full-time staff, including 51 investment professionals averaging 24 years of portfolio management experience
- Lead portfolio managers all have direct experience in the sectors and regions in which they invest
- Institutional and wealth management clients
- Our active funds and smart beta ETFs have won numerous performance awards



Data as of September 30, 2020. Awards received available at <https://www.vaneck.com/news-and-insights/media-coverage/awards/>

Strategies offered in mutual, pooled and off-shore funds, separate accounts, variable insurance portfolios, sub-advisory, ETFs and limited partnerships.

Why Video Gaming and Esports Now?



- **The video game industry is earning hundred of billions in annual revenues and reaching billions of people around the world**
 - Industry revenues are currently higher than both the robotics and cyber-security industries¹
- **Trends like demographics shifts and changing consumer demands provides long-term structural support for this growth industry**
 - Prevalence of social media usage, cord-cutting trends and demographics may provide long-term support for video gaming, esports and video game streaming
- **Mobile gaming now represents the largest and fastest growing platform by revenues**
 - Ubiquitous mobile technology has taken the video gaming world by storm, allowing mobile entertainment to become a social norm
- **Publishers are using new business models to accelerate growth**
 - Game publishers are pushing innovative revenue models, such as “game as service,” to extend the life cycle of popular games
- **Esports represent a segment of the broader video gaming industry and video game publisher are steadily gaining control over revenue streams**
 - As league owners, publishers now dominate the majority of the esports ecosystem

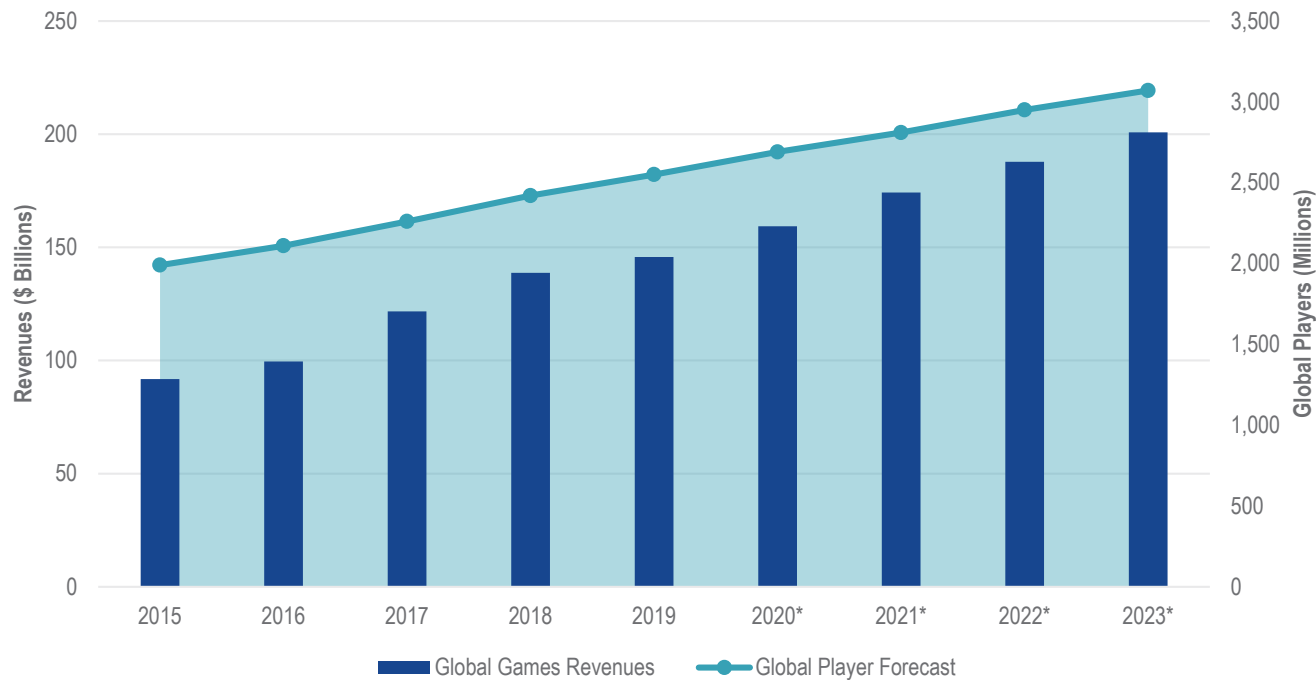
¹Bloomberg Intelligence, 2019.

Fast-Growing Revenues and User Base



- In 2020, the total video game industry is projected to reach \$159B in revenues, which makes it a bigger industry than both cyber-security and robotics
- By 2023, over 3 billion people around the world are expected to play video games in some form
- The video game industry represents a long term structural growth industry, supported by broader trends including demographic shifts and cord-cutting

Long-Term Structural Growth of Global Revenues and Players



Source: Newzoo Global Games Market Report, 2016, 2017, 2018, 2019, 2020. Past performance is not indicative of future results; current data may differ from data quoted.

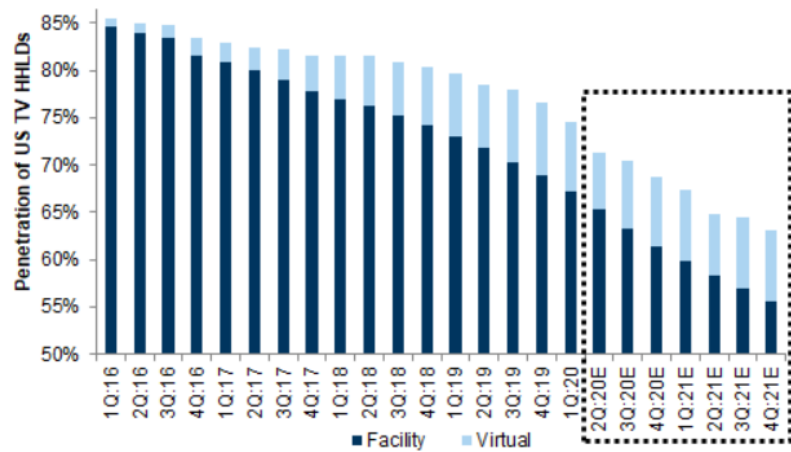
* Projected by Newzoo.

Gaming Surge: An Acceleration of Existing Trends

Esports audience has grown tremendously, supported by long-term demographics and industry trends, such as cord-cutting

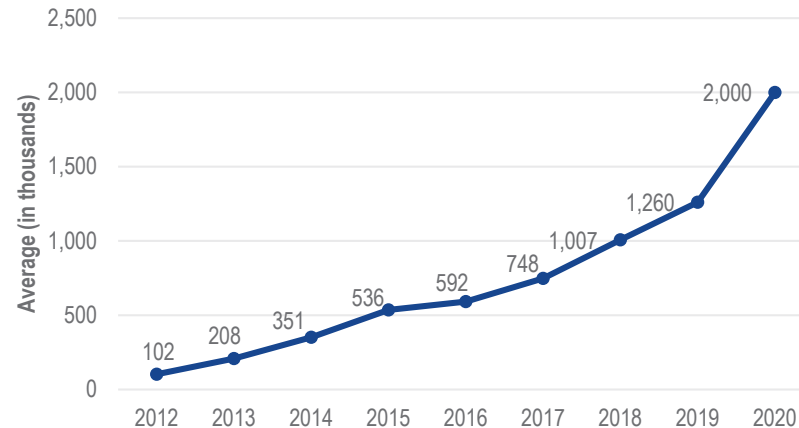
- Consumer demand for online, interactive entertainment
- Fragmentation of digital media landscape
- Demographic shifts

Cord Cutting in action: Goldman Sachs expects the pace of pay-TV subscriber losses to reach -10% yoy in 4Q20 from -6% in 1Q20.



Social streaming websites are experiencing wide spread adoption and rapid growth.

Average Concurrent Viewers on Twitch



Source: TwitchTracker and Goldman Sachs as of 2020.

Past performance is not a guarantee of future results.

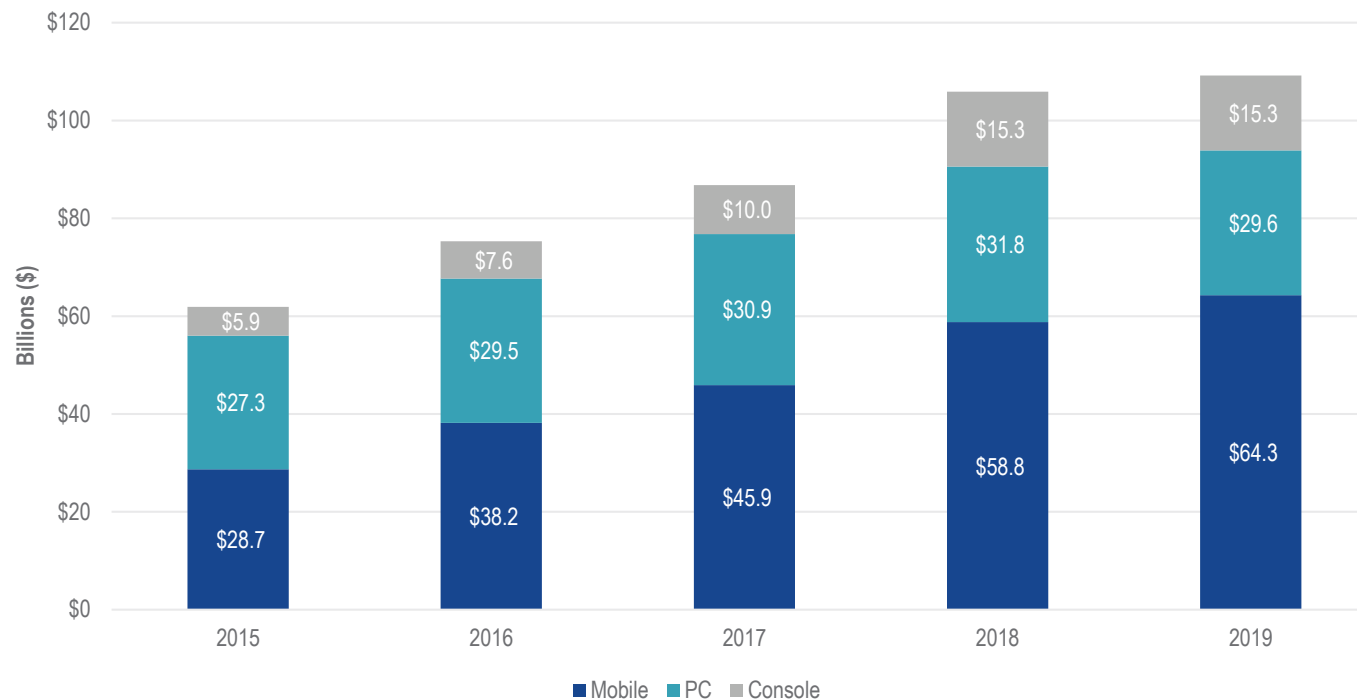
Mobile Gaming: Growth Powerhouse



Mobile gaming has quickly outpaced PC and console, the other main platforms

- Since 2015, mobile revenues have grown at an annualized rate of 22%, outpacing the total gaming revenues growth rate of 15%
- Game publishers have been successful at identifying and leveraging emerging technologies to facilitate gaming to as many people as possible
- Mobile gaming is a global phenomenon with mass participation in both in EM and DM markets

Mobile Gaming: Largest and Fastest Growing Platform by Revenues



Revenues reflect Global Digital Gaming Revenues. Source: SuperData, a Nielsen Company. Data as of 2019.

In-Game Spending: Revolutionizing the Revenue Model

- **New: Game as a Service**

- Ongoing subscription-based model with a much longer time horizon of purchases from a single user.
- Revenues generated under this model are known as recurrent consumer spending, where a consumer continues to make purchases within the game, over a period of time

- **Old: Game as a Product**

- Single, revenue-generating fee: game publisher develops a game and then sells it to the consumer
- Additional revenue only through developing add-on or another game

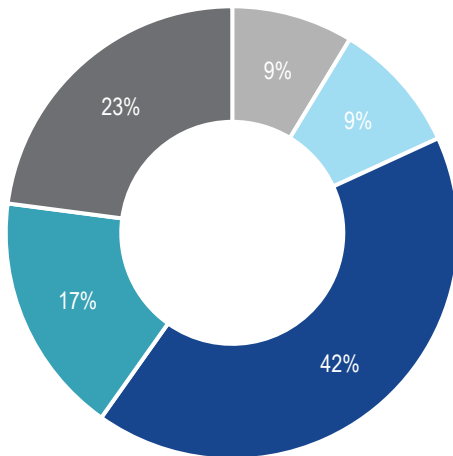
In Take-Two's Q1 2021 fiscal earnings report, recurrent consumer spending grew by 52%, and account for 58% of net revenue.¹

In Activision's 2Q 2020 earnings press release stated that in-game net bookings were \$1.37 billion, as compared with \$778 million for the second quarter of 2019.²

As League Owners, Publishers Control the Esports Ecosystem

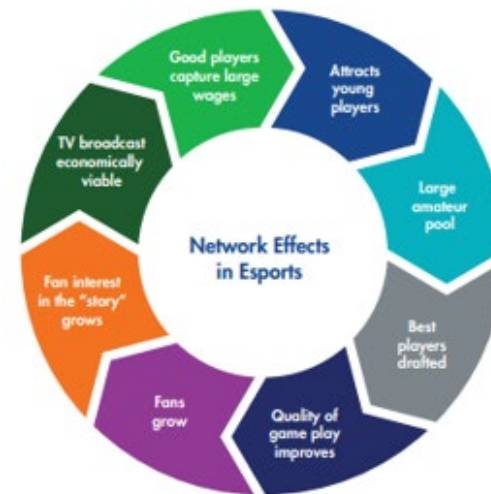
- **Video game publishers are now primed to gain the most from the esports phenomenon**
 - Publishers own the rights to the games played in competition, as well as the broadcasting rights, which are sold to media and communication services companies
 - If publishers can build and maintain an esports league around a title, it can create a positive feedback loop

Esports Revenues Streams
as of 2019



- Game Publisher Fees
- Merchandise & Tickets
- Sponsorship
- Advertising
- Media Rights

Maximizing the Esports Halo Effect



Gaming Industry Risks



Single Game Risk

- Company too depended upon a single game or franchise success

Regulatory Risk

- Change in laws and regulations will materially impact gaming revenues (i.e. loot boxes)

Valuation Risk

- Video game stock's valuations have extended beyond what the company's underlying business and cash flows can support

Competitive Risk

- New entrants into the industry could potentially affect video game companies with high exposure to the mobile gaming segment (i.e. low barriers to entry)

Return to normalcy risk

- Video games fall out of favor with consumers once the COVID-19 pandemic fades away, and people are able to resume their normal entertainment options that involve leaving the house

MVIS® Global Video Gaming and eSports Index



- **Companies must derive at least 50% of total revenues from video gaming and/or esports to be initially eligible for the index**
 - Revenue requirements ensure targeted exposure to video gaming and esports companies
 - Focus on the largest pure-play video gaming companies
 - Modified market cap weighting ensures that no single company dominates the index
- **What companies don't meet inclusion requirements?**
 - Companies such as Microsoft (Xbox), Sony (PlayStation), and Amazon (Twitch.tv) generate substantial revenue dollars from other sources besides video gaming and esports related business lines
 - Due to index revenue percentage rules, these companies are excluded to maintain the index's focus on video gaming and esports

Included in index	Reason for inclusion	Excluded from index	Reason for exclusion
Activision Blizzard	Video game publisher	Alphabet	Tech conglomerate (based on revenue test)
Nintendo	Video game publisher	Amazon.com	Tech retail (based on revenue test)
Tencent Holdings	Video game publisher	Microsoft	Tech conglomerate (based on revenue test)
NVIDIA	Hardware company	Sony	Tech conglomerate (based on revenue test)
Advanced Micro Devices	Hardware company	Intel	Hardware (based on revenue test)

Source: MVIS. This is not an offer to buy or sell, or a recommendation to buy or to sell any of the securities mentioned herein.

VanEck Vectors® Video Gaming and eSports ETF (ESPO)

VanEck Vectors Video Gaming and eSports ETF (ESPO) seeks to replicate as closely as possible, before fees and expenses, the price and yield performance of the **MVIS® Global Video Gaming and eSports Index (MVESPO)**. The Index is a global index that tracks the performance of the global video gaming and esports (also known as electronic sports) segment.

Fund Details

Fund Ticker	ESPO
Intraday NAV Ticker	ESPO.IV
Index Ticker	MVESPTR
Inception Date	10/16/2018
Net Expense Ratio (%)	0.55
Gross Expense Ratio (%)	0.99
Listing Exchange	NYSE Arca
Dividend Frequency	Annually

Expenses are capped contractually at 0.55%. Cap excludes acquired fund fees and expenses, interest expense, trading expenses, taxes and extraordinary expenses. Expense ratio as of the most recent prospectus. Please see the Fund's prospectus for more detailed information on expenses.

- Competitive video gaming audience expected to reach 495 million people globally in 2020²
- Esports revenue growth has increased on average 28% yearly since 2015, supported by a young, affluent audience³
- Companies must derive at least 50% of total revenues from video gaming and/or esports to be initially eligible for the Index

² Newzoo Global Esports Market Report, 2020.

³ Newzoo Global Esports Market Report, 2017, 2018, 2019, 2020

All information as of 9/30/2020 and subject to change.

The Index is unmanaged and not a security in which investments can be made. You cannot invest in an Index.

Fund Performance



ESPO Performance History (%) as of 9/30/2020	YTD	1 YR	3 YR	5 YR	10 YR	Inception 10/16/2018
NAV	61.46	82.25	--	--	--	42.24
Share Price	61.48	82.53	--	--	--	42.45
MVESPTR Index	61.17	82.48	--	--	--	43.24

Source: VanEck, and FactSet.

The table presents past performance which is no guarantee of future results and which may be lower or higher than current performance. Returns reflect applicable fee waivers and/or expense reimbursements. Had the Fund incurred all expenses and fees, investment returns would have been reduced. Investment returns and Fund share values will fluctuate so that investor's shares, when redeemed, may be worth more or less than their original cost. Fund returns assume that dividends and capital gains distributions have been reinvested in the Fund at NAV. Index returns assume that dividends of the Index constituents in the Index have been reinvested. Investing involves risk, including loss of principal. Please call [800.826.2333](tel:800.826.2333) or visit vaneck.com for performance current to the most recent month ended.

All indices are unmanaged and include the reinvestment of all dividends, but do not reflect the payment of transaction costs, advisory fees or expenses that are associated with an investment in the fund. An index's performance is not illustrative of the fund's performance. Certain indices may take into account withholding taxes. Indices are not securities in which investments can be made. See disclosures at the end of this presentation.

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An investment in the Fund may be subject to risks which include, among others, investing in the video gaming and esports companies, software, internet software & services and semiconductor industries, equity securities, communication services and information technology sectors, small- and medium-capitalization companies, issuer-specific changes, special risk considerations of investing in Asian, Japanese and emerging markets issuers, foreign securities, foreign currency, depository receipts, market, operational, cash transactions, 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, non-diversified, and concentration risks, all of which may adversely affect the Fund. Foreign investments are subject to risks, which include changes in economic and political conditions, foreign currency fluctuations, changes in foreign regulations, and changes in currency exchange rates which may negatively impact the Fund's returns. Small- and medium-capitalization companies may be subject to elevated risks.

Investing involves substantial risk and high volatility, including possible loss of principal. 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 800.826.2333 or visit vaneck.com. Please read the prospectus and summary prospectus carefully before investing.

The performance data quoted represents past performance. Past performance is not a guarantee of future results.

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For a more complete description of these and other risks, please refer to the Fund's prospectus.

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Definitions



Esports : Competitive gaming at a professional level and in an organized format (a tournament or league) with a specific goal (i.e., winning a championship title or prize money) and a clear distinction between players and teams that are competing against each other.

Esports Enthusiasts: People who watch esports more than once a month.

Esports Event: A competitive gaming tournament or league organized by a third party, where players and/or teams compete against each other with the goal to win.

Media Rights Revenue: Revenues generated through media property, including all revenues paid to industry stakeholders to secure the rights to show esports content on a channel.

Merchandise and Tickets Revenue: Revenues generated by the sales of tickets for live esports events and merchandise.

Advertising Revenue: Revenues generated by advertisements seen by viewers via esports content, which are paid for per impression.

Sponsorship Revenues: Revenues generated by teams and organizers through sponsorship deals.

Game Publisher Fees: Revenues paid by game publishers to independent esports organizers for hosting events. This excludes investments or spending by game publishers on their own events, as we consider that to be part of their regular marketing efforts.