# HYD VanEck Vectors High-Yield Municipal Index ETF

VanEck™

As of June 30, 2016

## Fund Details

| | |
|---|---|
| Fund Ticker | HYD |
| Intraday NAV (IIV) | HYDIV |
| Index Ticker | LMEHTR |
| Total Net Assets ($M) | 2,104.96 |
| Number of Holdings | 1,460 |
| Exchange | NYSE Arca |
| Commencement | 02/04/09 |
| Distribution Frequency | Monthly |

## Yield*

| | |
|---|---|
| 30-Day SEC Yield | 3.73% |
| 25% Federal Tax Rate | 4.97% |
| 28% Federal Tax Rate | 5.17% |
| 33% Federal Tax Rate | 5.56% |
| 39.6% Federal Tax Rate | 6.17% |

*30-Day SEC Yield reflects the investment income earned after deducting a fund's expenses for the period. A taxable equivalent yield represents what a taxable investment would have to earn in order to match, after deducting federal income taxes, the yield available on a tax-exempt investment.

## Fees and Expenses*

| | |
|---|---|
| Management Fee | 0.35% |
| Gross Expense Ratio | 0.35% |
| Net Expense Ratio | 0.35% |

*The Investment Management Agreement between VanEck Vectors ETF Trust and Van Eck Associates Corporation (the "Advisor") provides that the Advisor will pay all expenses of the Fund, except for the fee payment under the Investment Management Agreement, interest expense, offering costs, trading expenses, taxes and extraordinary expenses.

## Fund Description

The VanEck Vectors™ High-Yield Municipal Index ETF (HYD®) seeks to replicate as closely as possible, before fees and expenses, the price and yield performance of the Barclays Municipal Custom High Yield Composite Index (LMEHTR), which is intended to track the overall performance of the U.S. dollar denominated high yield long-term tax-exempt bond market. HYD is expected to pay monthly dividends.

## Top 10 Holdings

| Issuer Name | State | Weighting (%) |
|---|---|---|
| Buckeye Ohio Tob Settlement Fing Auth | OH | 4.47 |
| Golden St Tob Securitization Corp Calif Tob Settlement | CA | 4.11 |
| Chicago Ill | IL | 2.85 |
| Tobacco Settlement Fing Corp N J | NJ | 2.49 |
| New York Liberty Dev Corp Liberty Rev | NY | 2.04 |
| California Statewide Cmntys Dev Auth Rev For Issues Dat | CA | 1.67 |
| Chicago Ill Brd Ed For Issues Dtd Prior To 09/05/07 See | IL | 1.51 |
| Texas Mun Gas Acquisition & Supply Corp Iii Gassupply R | TX | 1.39 |
| Illinois St For Issues Dtd Prior To 01/16/2010 See 4521 | IL | 1.22 |
| Iowa Fin Auth Midwestern Disaster Area Rev | IA | 1.19 |
| **Top 10 Total** | | **22.94** |

These are not recommendations to buy or to sell any security. Securities and holdings may vary.

## Performance History: Average Annual Total Returns* (%)

| Month End as of 06/30/16 | 1 MO* | 3 MO* | YTD* | 1 YR | 3 YR | 5 YR | 10 YR | LIFE 02/04/09 |
|---|---|---|---|---|---|---|---|---|
| HYD (NAV) | 1.91 | 4.03 | 7.20 | 11.06 | 6.91 | 7.48 | -- | 9.21 |
| HYD (Share Price) | 1.84 | 4.26 | 6.99 | 13.21 | 7.29 | 7.52 | -- | 9.22 |
| LMEHTR (Index) | 2.10 | 4.23 | 7.38 | 12.74 | 8.15 | 8.50 | -- | 10.50 |
| Performance Differential (NAV - Index) | -0.19 | -0.20 | -0.18 | -1.68 | -1.24 | -1.02 | -- | -1.29 |

| Quarter End as of 06/30/16 | 1 MO* | 3 MO* | YTD* | 1 YR | 3 YR | 5 YR | 10 YR | LIFE 02/04/09 |
|---|---|---|---|---|---|---|---|---|
| HYD (NAV) | 1.91 | 4.03 | 7.20 | 11.06 | 6.91 | 7.48 | -- | 9.21 |
| HYD (Share Price) | 1.84 | 4.26 | 6.99 | 13.21 | 7.29 | 7.52 | -- | 9.22 |
| LMEHTR (Index) | 2.10 | 4.23 | 7.38 | 12.74 | 8.15 | 8.50 | -- | 10.50 |
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*Returns less than one year are not annualized.

**The performance data quoted represents past performance. Past performance is not a guarantee of future results. Performance information for the Fund reflects temporary waivers of expenses and/or fees. Had the Fund incurred all expenses, investment returns would have been reduced. Investment return and value of the shares of the Fund will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. Performance may be lower or higher than performance data quoted. Fund returns reflect dividends and capital gains distributions. Net asset value (NAV) per share is calculated by subtracting total liabilities from the total assets, then dividing by the number of shares outstanding. Share price is the last price at which shares were traded on the Fund's primary listing exchange. Performance current to the most recent month end is available by calling 800.826.2333 or by visiting vaneck.com.Index returns are not Fund returns and do not reflect any management fees or brokerage expenses. Investors can not invest directly in the Index. Returns for actual Fund investors may differ from what is shown because of differences in timing, the amount invested and fees and expenses. Index returns assume that dividends have been reinvested.**

# HYD VanEck Vectors High-Yield Municipal Index ETF

As of June 30, 2016

## Fundamentals*

| | |
|---|---|
| Modified Duration (yrs) | 7.47 |
| Years to Maturity | 20.26 |

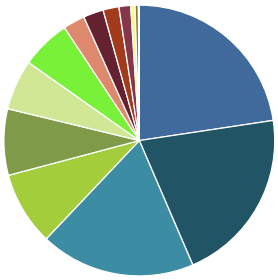
*Duration to Worst measures the duration of a bond computed using the bond's nearest call date or maturity, whichever comes first. This measure ignores future cash flow fluctuations due to embedded optionality. Years to Maturity is the period of time for which a financial instrument remains outstanding.

## Top 10 Geographical Weightings

| State | % of Net Assets |
|---|---|
| California | 14.0 |
| New York | 9.7 |
| Illinois | 9.4 |
| Texas | 7.1 |
| Ohio | 6.3 |
| Pennsylvania | 5.6 |
| New Jersey | 4.8 |
| Florida | 4.0 |
| Indiana | 2.9 |
| Iowa | 2.5 |
| **Top 10 Total** | 66.1 |

## Sector Weightings

| Sector | % of Net Assets |
|---|---|
| Health Care | 22.6 |
| Tobacco | 20.9 |
| Industrial Revenue | 18.5 |
| Transportation | 8.8 |
| Education | 7.9 |
| Special Tax | 6.0 |
| Local | 5.9 |
| Water & Sewer | 2.6 |
| Power | 2.4 |
| State | 1.9 |
| Leasing | 1.4 |
| Housing | 0.5 |
| Solid Waste/Res Recovery | 0.4 |
| Unassigned | 0.1 |



## Credit Quality

| Composite | Rating | % of Net Assets |
|---|---|---|
| Investment Grade | AA | 0.10 |
| | A | 0.97 |
| | BBB | 33.66 |
| Non-Investment Grade | BB | 17.14 |
| | B | 20.06 |
| | CCC | 6.62 |
| | D | 0.04 |

Barclays Composite Rating: A blend of a security's Moody's, S&P, and Fitch ratings. If all three agencies rate the security, the middle rating is taken. If only two agencies rate a security, the lower rating is taken. If only one agency rates a security, that rating is used. Not rated indicates that a security is rated by fewer than one of the three rating agencies. This composite is not intended to be a credit opinion.

An investment in the Fund may be subject to risks which include, among others, risks related to litigation, legislation, political change, conditions in underlying sectors or in local business communities and economies, bankruptcy or other changes in the issuer's financial condition and/or the discontinuance of taxes supporting the project or assets of the inability to collect revenues for the project or from the assets, and credit, interest rate, and call risk, all of which may adversely affect the Fund. High-yield municipal bonds are subject to greater risk of loss of income and principal than higher-rated securities, and are likely to be more sensitive to adverse economic changes or individual municipal developments than those of higher-rated securities. Municipal bonds may be less liquid than taxable bonds. A portion of the dividends you receive may be subject to the federal alternative minimum tax (AMT).There is no guarantee that the Fund's income will be exempt from federal, state or local income taxes, and changes in those tax rates or in alternative minimum tax rates or in the tax treatment of municipal bonds may make them less attractive as investments and cause them to lose value. Capital gains, if any, are subject to capital gains tax. The Fund's assets may be concentrated in a particular sector and may be subject to more risk than investments in a diverse group of sectors. Barclays does not sponsor, endorse, or promote the Fund and bears no liability with respect to the Fund or security.

Fund shares are not individually redeemable and will be issued and redeemed at their NAV only through certain authorized broker-dealers in large, specified blocks of shares called creation units and otherwise can be bought and sold only through exchange trading. Creation units are issued and redeemed principally in kind. Shares may trade at a premium or discount to their NAV in the secondary market.

**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 contain this and other information, call 800.826.2333 or visit vaneck.com. Please read the prospectus and summary prospectus carefully before investing.**

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