

# Growth and Income Potential with BDCs

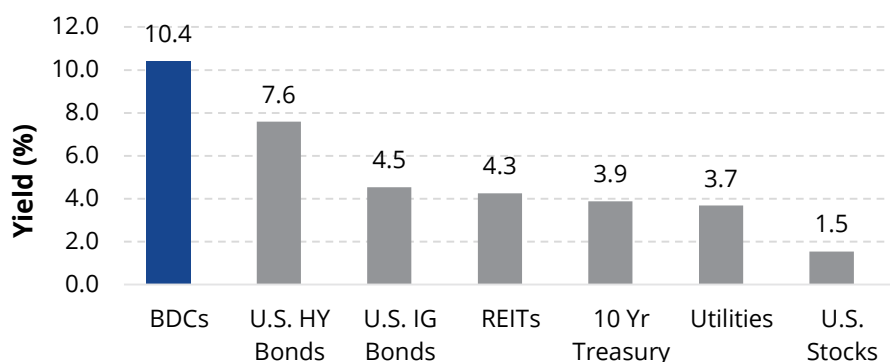
## BIZD

### VanEck BDC Income ETF

Business Development Companies (BDCs) are companies that lend to, and invest in, private companies which tend to be rated below investment grade or not rated. By investing in the BDC industry, you could gain exposure to the growth and income potential of private companies, which has traditionally been limited to institutional or high-net-worth investors.

#### High Income Potential Relative to Other Asset Classes

Data as of 12/31/2023



Source: Factset. Past performance is no guarantee of future results.

#### BDCs are Regulated Investment Companies

Created by U.S. legislation in 1980, BDCs must adhere to strict RIC diversification requirements and leverage restrictions.<sup>1</sup>

#### Diverse Portfolios

No more than 25% of assets in a single investment and more than 50% of its portfolio must be in investments that individually represent less than 5% of assets.

#### Restricted Leverage

Total debt-to-total equity<sup>2</sup> cannot exceed a 2:1 ratio which, compared to other income generating businesses, may help protect investors from excessive risk-taking.

#### Income Potential

The nature of BDCs' investment portfolios, paired with a pass-through tax structure known as a regulated investment company, has historically provided investors with attractive income.

<sup>1</sup>Diversification does not assure a profit or protect against a loss. The use of leverage may magnify both gains and losses.

<sup>2</sup>Debt-to-total equity indicates how much debt a company is using to finance its assets relative to the amount of value represented in shareholder's equity.

<sup>3</sup>BDCs exhibit attractive yield characteristics through their investments in predominantly private companies and as regulated investment companies (RICs), they must distribute a minimum of 90% of their net investment income to shareholders.

#### Why BIZD?

- **High Income Potential<sup>3</sup>**  
Business Development Companies have proven an attractive alternative income source historically
- **Exposure to Private Credit**  
Target privately-held U.S. companies and thinly traded U.S. public companies which are generally difficult to access
- **Middle-Market Loans**  
BDCs generate income by lending to, and investing in, private companies that tend to be below investment grade or not rated

**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.

Fund Details	
Fund Ticker	BIZD
Commencement Date	2/11/2013
30-Day SEC Yield (%)	10.23
Management Fee (%)	0.40
Acquired Fund Fees and Expenses (%)	10.75
Expense Ratio (%)*	11.17

Date as of 12/31/2023.

\*Expenses are unitary fees. Van 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.

Total Return (%) as of 12/31/2023		BIZD	MVBDCTRG
YTD*	NAV	26.93	26.88
	Share Price	27.18	
1 Yr	NAV	26.93	26.88
	Share Price	27.18	
3 Yr	NAV	17.42	16.81
	Share Price	17.38	
5 Yr	NAV	14.26	13.56
	Share Price	14.58	
10 Yr	NAV	7.28	7.11
	Share Price	7.25	
Since Inception (2/11/2013)	NAV	7.50	7.54
	Share Price	7.51	

\*Return less than one year are not annualized.

Index data prior to June 19, 2023 reflects that of the MVIS® US Business Development Companies Index (MVBIZDTG). From June 19, 2023 forward, the index data reflects that of the Fund's underlying index, the MVIS® US Business Development Companies Index (MVBDCTRG). Index history which includes periods prior to June 19, 2023 links the performance of MVBIZDTG and MVBDCTRG and is not intended for third party use.

Index returns are not Fund returns and do not reflect any management fees or brokerage expenses. Certain indices may take into account withholding taxes. Investors cannot invest directly in the Index. Index returns assume that dividends have been reinvested.

**Performance data quoted represents past performance which is no guarantee of future results and which may be lower or higher than current performance. Performance current to the most recent month end available by calling 800.826.2333 or by visiting [vaneck.com](http://vaneck.com). Investment returns and ETF share values will fluctuate so that investors' shares, when redeemed, may be worth more or less than their original cost. ETF returns assume that dividends and capital gains distributions have been reinvested in the Fund at NAV.**

The "Net Asset Value" (NAV) of a VanEck Vectors Exchange Traded Fund (ETF) is determined at the close of each business day, and represents the dollar value of one share of the fund; it is calculated by taking the total assets of the fund, subtracting total liabilities, and dividing by the total number of shares outstanding. The NAV is not necessarily the same as the ETF's intraday trading value. VanEck Vectors ETF investors should not expect to buy or sell shares at NAV.

DEFINITIONS: 30-Day SEC Yield is a standard yield calculation developed by the Securities and Exchange Commission that allows for fairer comparisons primarily among bond funds. It is based on the most recent 30-day period. This yield figure reflects the interest earned during the period after deducting the fund's expenses for the period. INDICES: BDCs: The MVIS US Business Development Companies Index (MVBDCTRG) is a rules-based index intended to track the overall performance of Business Development Companies (BDC). U.S. High Yield Bonds: Barclays Capital US High Yield Very Liquid Index is a more liquid version of the Barclays Capital US Corporate High-Yield Index that measures the market of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds. Qualifying issues must have been issued within the past three years, have a USD 600 million minimum amount outstanding and include only the largest issue from each issuer. REITs: FTSE NAREIT Equity REITs Index is a broad-based, free-float adjusted market capitalization weighted index consisting of equity real estate investment trusts. Utilities: Standard & Poor's 500 Utilities Index, calculated with dividends reinvested, consists of widely held utility common stocks of the Standard & Poor 500 Index. U.S. Investment Grade Bonds: Barclays Capital US Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed securities, asset-backed securities, commercial mortgage-backed securities. U.S. 10-Year Treasury Bonds: ICE BofAML Current 10-Year US Treasury Index is a one-security index comprised of the most recently issued 10-year U.S. Treasury bond. To qualify for the inclusion, the 10-year bond must be auctioned on or before the third business day before the last business day of the month. U.S. Stocks: Standard & Poor's 500 Index, calculated with dividends reinvested, consists of 500 widely held common stocks covering the industrial, utility, financial and transportation sectors.

MVIS US Business Development Companies Index is the exclusive property of MarketVector Indexes 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 MarketVector Indexes GmbH, Solactive AG has no obligation to point out errors in the Index to third parties. The VanEck BDC Income ETF is not sponsored, endorsed, sold or promoted by MarketVector Indexes GmbH and MarketVector Indexes GmbH makes no representation regarding the advisability of investing in the Fund.

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**Business Development Companies (BDCs) generally invest in less mature U.S. private companies or thinly traded U.S. public companies which involve greater risk than well-established publicly-traded companies. While the BDCs that comprise the Index are expected to generate income in the form of dividends, certain BDCs during certain periods of time may not generate such income. The Fund will indirectly bear its proportionate share of any management fees and other operating expenses incurred by the BDCs and of any performance-based or incentive fees payable by the BDCs in which it invests, in addition to the expenses paid by the Fund. A BDC's incentive fee may be very high, vary from year to year and be payable even if the value of the BDC's portfolio declines in a given time period. Incentive fees may create an incentive for a BDC's manager to make investments that are risky or more speculative than would be the case in the absence of such compensation arrangements, and may also encourage the BDC's manager to use leverage to increase the return on the BDC's investments. The use of leverage by BDCs magnifies gains and losses on amounts invested and increases the risks associated with investing in BDCs. A BDC may make investments with a larger amount of risk of volatility and loss of principal than other investment options and may also be highly speculative and aggressive.**

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, investing in BDCs, 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 and liquidity of fund shares, issuer-specific changes, and index-related concentration risks, all of which may adversely affect the fund. Small- and medium-capitalization companies may be subject to elevated risks.

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 800.826.2333 or visit [vaneck.com](http://vaneck.com). Please read the prospectus and summary prospectus carefully before investing.

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