



Press release

VanEck launches two new UCITS-compliant ETFs for high yield corporate bonds on London Stock Exchange

- **The VanEck Vectors™ Global Fallen Angel High Yield Bond UCITS ETF enables investors to benefit from temporary price distortions as a result of credit rating downgrades**
- **The VanEck Vectors™ Emerging Markets High Yield Bond UCITS ETF offers investors access to high yield corporate bonds from emerging markets**

LONDON, (March 23, 2018) – Global asset manager VanEck today announced it is expanding its product spectrum to include two UCITS exchange-traded funds (ETFs) for high yield corporate bonds. The VanEck Vectors™ Global Fallen Angel High Yield Bond UCITS ETF and the VanEck Vectors™ Emerging Markets High Yield Bond UCITS ETF are now listed on the London Stock Exchange.

Global Fallen Angel High Yield Bonds

The VanEck Vectors™ Global Fallen Angel High Yield Bond UCITS ETF (ticker USD: GFA LN, ticker GBP: GFGB LN) enables investors to benefit from temporary misvaluation as a result of credit rating downgrades.

The ETF is based on the ICE BofAML Global Fallen Angel High Yield Index. This tracks the performance of corporate bonds that were rated as investment-grade at the time of issuance but have since been downgraded to non-investment grade. In order to be included in the index, the bond must have a minimum term of 18 months. The minimum remaining term at the point of inclusion must be 12 months. In addition, the minimum issue size is US\$250 million/€250 million or £100 million/C\$100 million.

“As a result of the rating downgrades, corporate bonds are often sold off because their risk profile no longer meets the requirements of institutional investors or indices,” explains Dominik Poiger, CFA, trader/ETF portfolio management at VanEck. “This often results in a temporary price distortion. On average, fallen angels reach their lowest valuation approximately six months after the rating downgrade, after which the recovery phase begins. The valuation level from before the downgrade is often achieved again.”

The fallen angels investment concept is based on empirically provable patterns of behaviour by corporate bonds in rating downgrades. The concept has historically outperformed the global high yield market in both absolute and risk-adjusted terms.

The VanEck Vectors™ Global Fallen Angel High Yield Bond UCITS ETF is the first UCITS-compliant ETF to realise the fallen angels investment concept with a global investment horizon without excluding any individual regions or countries.

Emerging Markets High Yield Bonds

The VanEck Vectors™ Emerging Markets High Yield Bond UCITS ETF (ticker USD: HYEM LN, ticker GBP: HYGB LN) offers investors access to high yield bonds from emerging markets. It is based on the ICE BofAML Diversified High Yield US Emerging Markets Corporate Plus Index which tracks the performance of corporate bonds denominated in US dollars with an average credit rating



below investment grade. Issuers from countries in the Eurozone, the USA, Japan, the UK, Canada, Australia, New Zealand, Switzerland, Norway and Sweden are excluded. In order to be included in the index, the bonds must have a remaining term of at least 12 months and an issue size of at least US\$300 million. In addition, the index only includes bonds with a fixed coupon.

“The market for high-yield bonds from emerging markets is becoming increasingly efficient. In the past few years alone, the volume on the market has doubled and is expected to continue to grow,” says Dominik Poiger, CFA, trader/ETF portfolio management at VanEck. “Emerging markets high-yield bonds are thus an attractive asset class for the long-term, offering a similarly high yield to US high-yield bonds, but with a lower duration and better credit rating.”

The VanEck Vectors™ Emerging Markets High Yield Bond UCITS ETF is the first UCITS-compliant ETF to give investors direct access to the market for EM high-yield corporate bonds.

Product information overview:

Product	VanEck Vectors™ Global Fallen Angel High Yield Bond UCITS ETF	VanEck Vectors™ Emerging Markets High Yield Bond UCITS ETF
Ticker (LSE)	GFA LN (USD) GFGB LN (GBP)	HYEM LN (USD) HYGB LN (GBP)
ISIN	IE00BF540Z61	IE00BF541080
Management company	VanEck Investments Ltd.	VanEck Investments Ltd.
Custodian	BNY Mellon Trust Company (Ireland) Limited	BNY Mellon Trust Company (Ireland) Limited
Domicile	Ireland	Ireland
Index ticker	HWFA	EMLH
Index provider	ICE Data Indices, LLC	ICE Data Indices, LLC
Rebalancing frequency	Monthly	Monthly
Product Structure	Physical, optimized	Physical, optimized
Launch date	19 March 2018	20 March 2018
Total expense ratio	0.40% p.a.	0.40% p.a.
Income Treatment	Reinvestment	Reinvestment
Index Effective Duration (as of 14 March 2018)	4.98 years	3.78 years
Index Yield to Maturity (as of 14 March 2018)	4.94%	6.38%
Index Years to Maturity (as of 14 March 2018)	7.43	5.21



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About VanEck

VanEck's mission is to offer investors forward-looking, intelligently designed investment strategies that take advantage of targeted market opportunities. Founded in 1955, the firm is a pioneer in global investing with a history of placing clients' interests first in all market environments.

Today, VanEck continues this tradition by offering active and passive investment portfolios in hard assets, emerging markets equity and debt, precious metals, fixed income, and other alternative asset classes. VanEck Vectors exchange-traded products are one of the largest ETP families in the world, managing more than 70 funds that span a range of sectors, asset classes, and geographies.

As of December 31, 2017, VanEck globally managed approximately USD 46 billion in assets, including mutual funds, ETFs, and institutional accounts.

For more details on VanEck and our investment funds, go to www.vaneck.com or visit our blog at www.vaneck.com/ucits/blog