

# Comparing Floating Rate Notes to Short-Term Bonds

## FLTR<sup>®</sup>

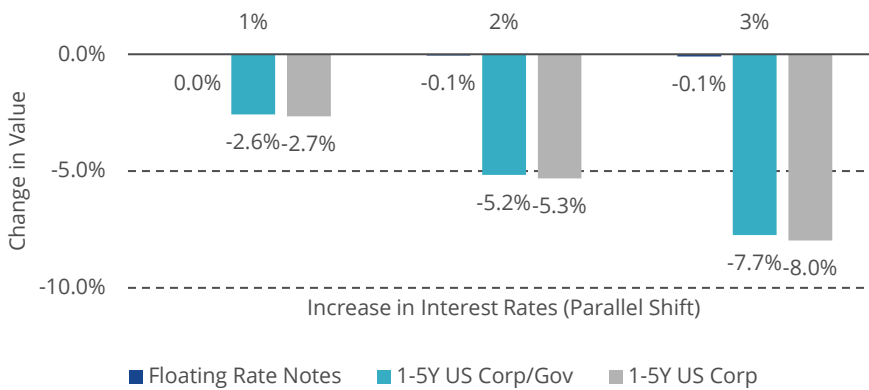
VanEck IG Floating Rate ETF

### Short Term, but Short of Intent

If your intention is to reduce interest rate exposure while managing for income it may be time to consider floating rate notes. Rising rates are a potential headwind even for short-term bond funds. With an average duration of 2.6<sup>1</sup>, a 1% increase in rates could still mean a price decline of 2.6%.

### Significantly Lower Interest Rate Sensitivity

As of 9/30/2025



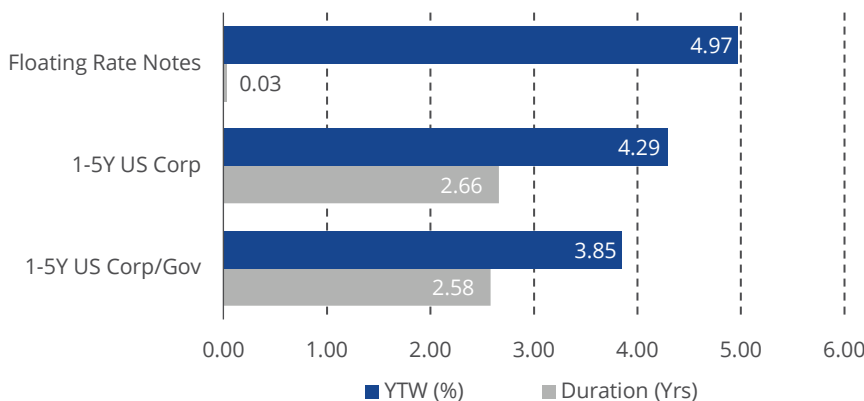
Source: ICE Data Services.

### Attractive Yield vs Duration

Yields on floating rate notes provide an attractive yield per unit of duration, compared to short-term bonds. Floating rate note coupons reset quarterly, adjusting automatically with rates and maintaining a near-zero duration profile.

### Current Yield vs Duration

As of 9/30/2025



Source: ICE Data Services.

### Income for Rising Rates

Access to investment grade corporate floating rate notes

Floating rate notes have near-zero duration and pay coupons that reset periodically

Attractive cash complement due to enhanced yield potential

### MVFLTR Characteristics

Index Details	
Number of Constituents	404
Inception Date	2/10/2011
Yield to Worst (%)	4.97
Effective Duration (Years)	0.03
Years to Maturity	3.19
Coupon (%)	5.11

Data as of 9/30/2025

<sup>1</sup> As represented by the ICE BofA 1-5 Year US Corporate Index. Data as of 9/30/2025.

<sup>2</sup> Floating rate notes are less sensitive to interest rate changes, but may decline in value if their interest rates do not rise as much or as quickly as interest rates in general.

An investment in the Fund may be subject to risks which includes, among others, foreign securities, foreign currency, credit, interest rate, floating rate, restricted securities, financials sector, special risk considerations of investing in Australian issuers, market, operational, sampling, 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, non-diversified, and index-related concentration risks, all of which may adversely affect the Fund

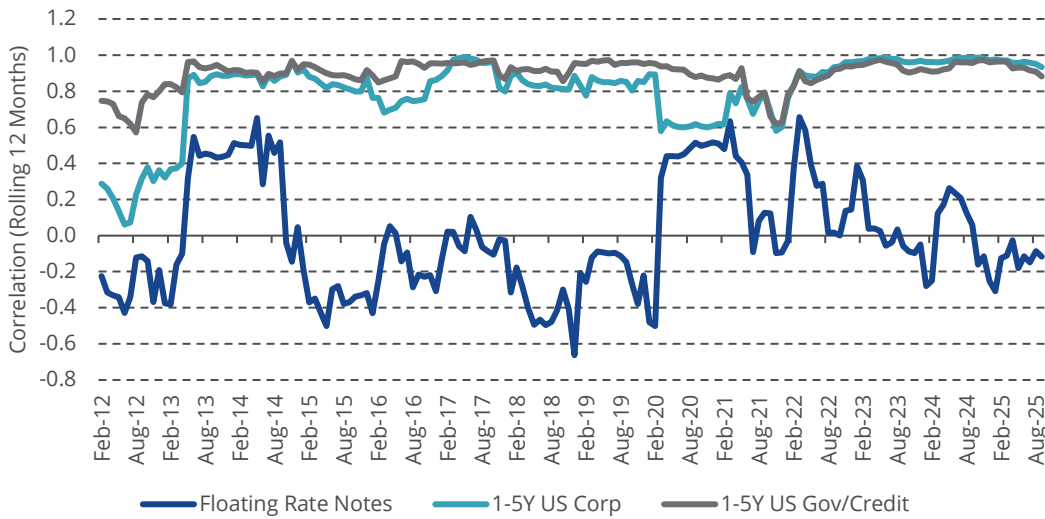
Past performance does not guarantee future results. Index performance is not indicative of Fund performance. Indices are not securities in which investments can be made.

## Attractive Characteristics

Floating rate notes have also demonstrated significantly lower correlation to the ICE BofA US Broad Market Index.

### Lower Correlation May Enhance Diversification

Correlation to ICE BofA US Broad Market Index 2/29/2012 – 9/30/2025



Source: Morningstar.

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. Indices are not securities in which investments can be made.

Floating Rate Notes - MVIS US Investment Grade Floating Rate Index (MVFLTR) is a modified market capitalization-weighted index that consists of U.S. dollar-denominated floating rate notes issued by corporate issuers and rated investment grade. ICE BofA US Broad Market Index tracks the performance of US dollar denominated investment grade debt publicly issued in the US domestic market, including US Treasury, quasi-government, corporate, securitized and collateralized securities. 1-5Y US Corp - ICE BofA 1-5 Year US Corporate Index is a subset of ICE BofA US Corporate Index including all securities with a remaining term to final maturity less than 5 years. 1-5Y US Corp/Gov - ICE BofA 1-5 Year US Corporate & Government Index is a subset of ICE BofA US Corporate & Government Index including all securities with a remaining term to final maturity less than 5 years.

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