

March 2017

VanEckTM

Access the opportunities.

Investment case: municipal bonds

ETF disclosure



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

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 Funds' primary listing exchange. Fund shares may trade at, above or below NAV. Performance current to the most recent month end available by calling 800.826.2333 or by visiting vaneck.com.

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ETF disclosure



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. Shares may trade at a premium or discount to their NAV in the secondary market. You will incur brokerage expenses when trading Fund shares in the secondary market. Past performance is no guarantee of future results. Returns for actual Fund investments may differ from what is shown because of differences in timing, the amount invested and fees and expenses.

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. Please read the prospectus and summary prospectus carefully before investing.

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Principal VanEck Vectors Municipal Income ETF Risk Factors: Municipal bonds are subject to 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 or the inability to collect revenues for the project or from the assets. Additional risks include credit, interest rate, call, reinvestment, tax, market and lease obligation risk. 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. Interest and principal payments for pre-refunded bonds are funded from securities in an escrow account. The escrowed securities do not guarantee the price of these bonds. Municipal bonds may be less liquid than taxable bonds. There is no guarantee that the Funds' income will be exempt from federal or state 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. Gains, if any, are subject to gains tax. Some portions of the distributions from HYD may be subject to the Alternative Minimum Tax (AMT). **For a more complete description of these and other risks, please refer to each Fund's prospectus.**

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Yield spreads

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Competitive risk/reward profile



Municipal bond market

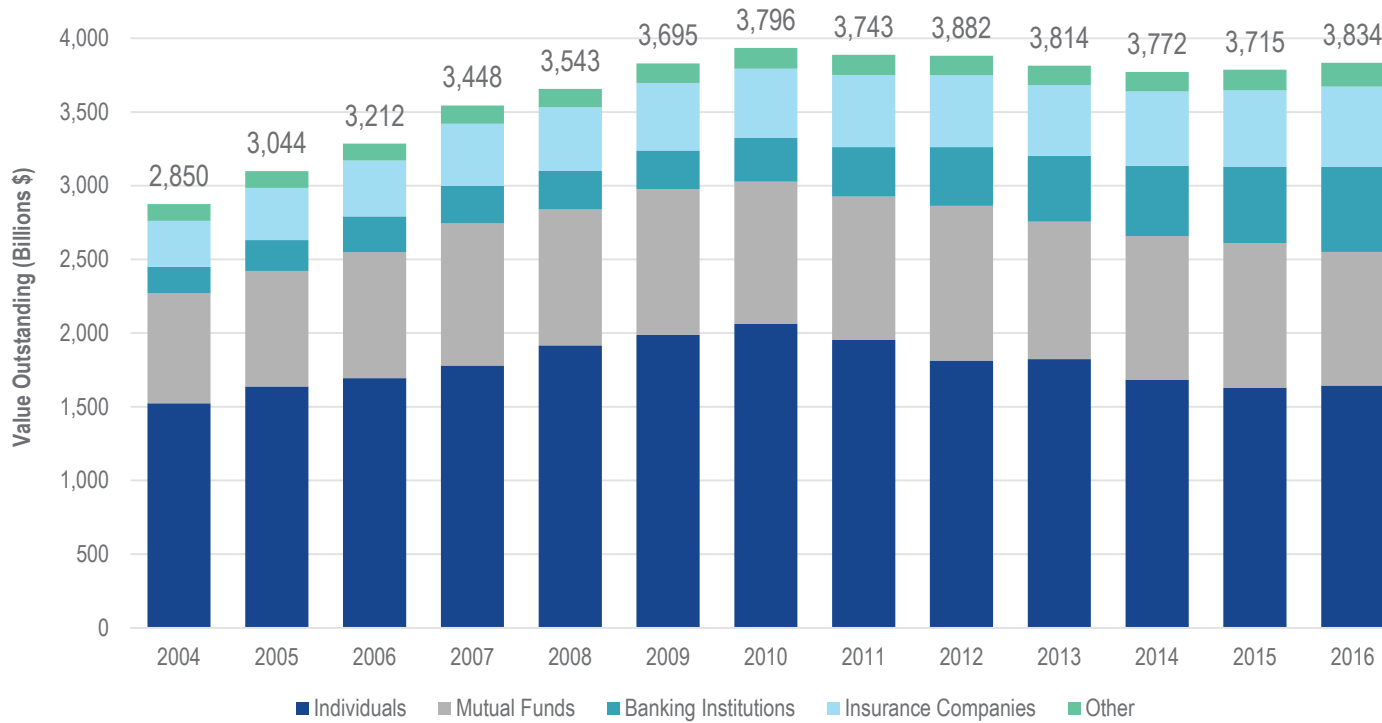


Municipal bond market



The municipal bond market value has grown 30% from 2004 to 2016. The primary holder of municipal debt has consistently been the individual investor—directly through bond holdings and indirectly via mutual funds.

Holders of U.S. Municipal Securities
2004-2016



Individuals: Household holdings is revised up by about \$840 billion, on average, from 2004 forward. **Mutual Funds:** Includes mutual funds, money market funds, close-end funds and exchange traded funds. **Banking Institutions:** Includes commercial banks, savings institutions and brokers and dealers. **Insurance Companies:** Includes property-casualty and life insurance companies. **Other:** Includes nonfinancial corporate business, nonfinancial non-corporate business, state and local governments and retirement funds, government-sponsored enterprises and foreign holders.

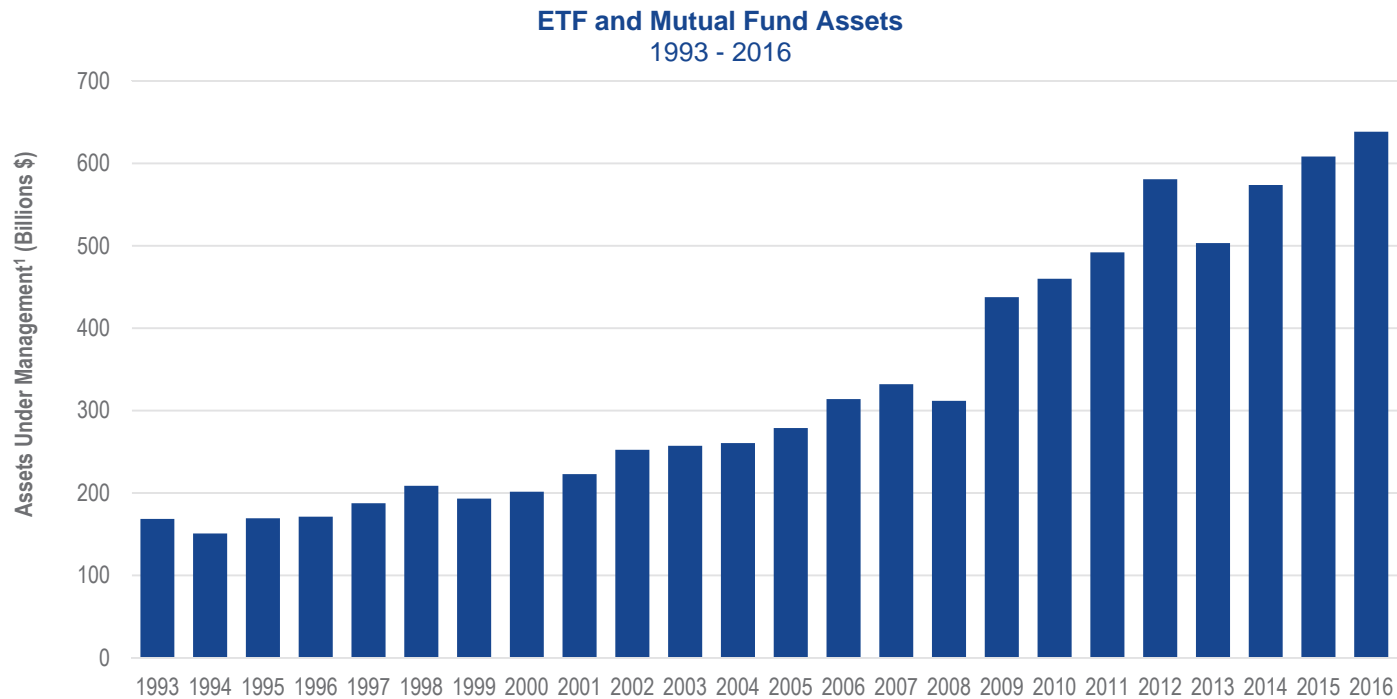
Source: SIFMA, Federal Reserve Z.1 Report. As of 12/31/16.

See disclaimers on slides 2 and 3.

Funds have become more prevalent



Mutual funds and ETFs have become an increasingly popular means of gaining exposure to municipal bonds. These funds offer investors convenient, diversified access to broad and targeted municipal markets.



¹Assets under management includes all non-money market U.S. municipal bond open-end funds and exchange-traded funds that invest primarily in municipal securities.

Source: Morningstar. As of 12/31/16.

See disclaimers on slides 2 and 3.

Lower default rates than corporate bonds



- Municipal bonds: lower default rates than corporate bonds in all ratings categories.
- Average default rate for all rated municipal bonds was lower than Aaa-rated corporate bonds—issuers deemed to have the highest credit quality.

Default Rates*		Municipal Bonds	Corporate Bonds
Investment Grade	Aaa	0.00%	0.00%
	Aa	0.00%	0.02%
	A	0.00%	0.06%
	Baa	0.01%	0.19%
High Yield	Ba	0.27%	0.96%
	B	2.88%	3.62%
	Caa to C	9.16%	10.75%
Totals	High Yield	1.33%	4.07%
	Investment Grade	0.00%	0.09%
	All Rated	0.02%	1.50%

*Average cumulative rates from 1970-2015 (annualized). Most recent annual study published May 2016, based on data from 1970-2015.

Source: Moody's Investors Services; "U.S. Municipal Bond Defaults and Recoveries, 1970-2015"

Historical information is not indicative of future results; current data may differ from data quoted.

The Moody's rating scale is as follows, from excellent (high grade) to poor (including default): Aaa to C, with intermediate ratings offered at each level between Aa and Caa. Anything lower than a Baa rating is considered a non-investment-grade or high-yield bond.

See end for index descriptions. See disclaimers on pages 2 and 3.

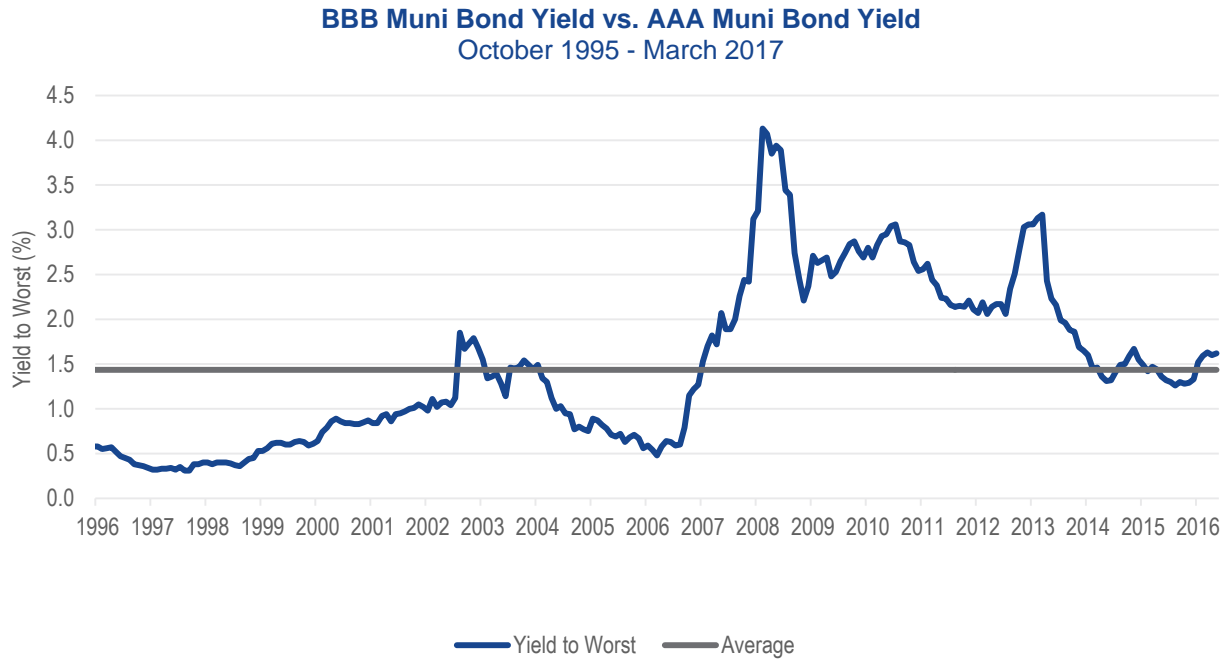
Investment-grade municipal bonds



Investment grade municipal bond spreads



Investment grade muni bond spreads wider than historical averages providing the potential for competitive yields.



Source: FactSet.

Yield spread is the difference between the yield to worst of Barclays Municipal BBB Index and the yield to worst of Barclays Municipal AAA Index. See end for index descriptions.

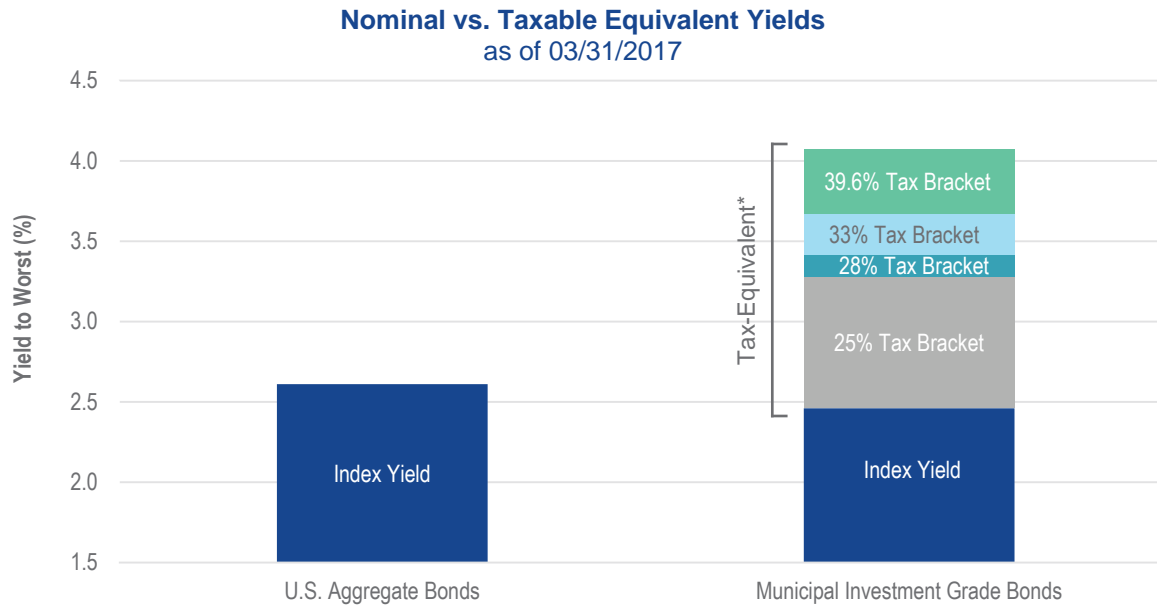
Yield to worst is generally defined as being the lowest yield that a buyer can expect to receive.

See disclaimers on slides 2 and 3.

Power of tax-exempt status



Tax-exempt yield may potentially provide a compelling income opportunity.



Source: Bloomberg.

For illustrative purposes only. U.S. Aggregate Bonds: Based on Barclays U.S. Aggregate Bond Index and Municipal Investment Grade Bonds: Based on Barclays Municipal Bond Index. See end for index descriptions. **Yield to worst** is the lowest yield that a buyer can expect among the reasonable alternatives, such as yield to maturity, yield to call, and yield to refunding.

***Tax-equivalent yield** is used by investors to compare yields on taxable and tax-exempt securities after accounting for federal taxes (excluding AMT). Taxable-equivalent yield represents the yield a taxable bond would have to earn in order to match --after taxes--the yield available on a tax-exempt municipal bond. Taxable-Equivalent Yield = Tax Free Municipal Bond Yield/(1 - Tax Rate).

Tax equivalent yield calculated based on federal income tax rate. State, local and alternative minimum taxes have not been considered in the analysis.

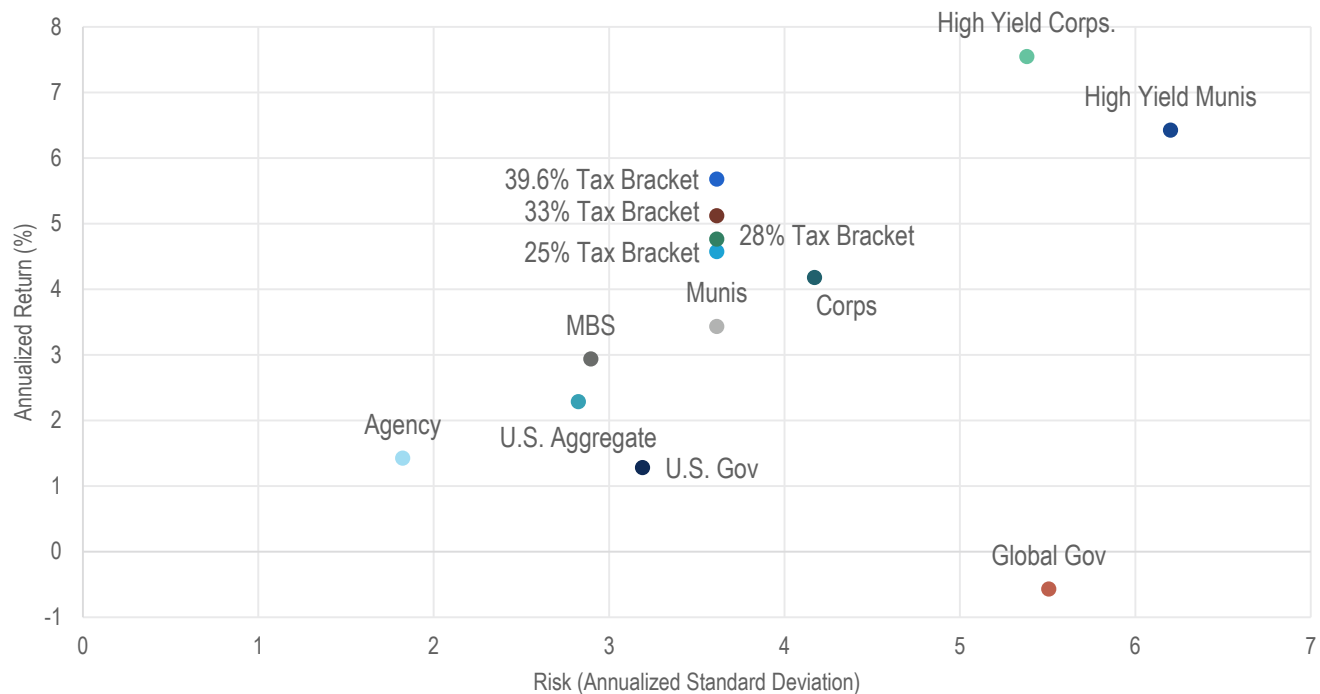
Please note that depending on your tax bracket, the potential tax equivalent returns may be higher or lower. See disclaimers on slides 2 and 3.

Risk/reward profile



The tax-exempt status of municipal bonds provides a compelling risk/reward profile.

Investment Grade Municipal Bond Taxable-Equivalent Returns
June 2011 - March 2017











Index performance is not illustrative of VanEck Vectors ETF performance. Fund performance available at www.vaneck.com.

Source: FactSet. For illustrative purposes only. **Taxable-equivalent return** represents the return a taxable bond would have to earn in order to match—after federal taxes—the return available on a tax-exempt municipal bond (excluding AMT). Municipal bonds may be subject to state and local taxes as well as to federal taxes on gains and may be subject to alternative minimum tax. The chart displays the returns of the Barclays Municipal Bond Index on a tax-equivalent return basis and compares such returns to other asset classes as represented by the indexes described at the end of this presentation. Fixed income investments have interest rate risk, which refers to the risk that bond prices generally fall as interest rates rise and vice versa. U.S. government bonds are guaranteed by the full faith and credit of the United States government. Municipal, corporate, agency and mortgage-backed bonds are not guaranteed by the full faith and credit of the United States and carry the credit risk of the issuer. Municipal bonds are exempt from federal taxes and often state and local taxes. U.S. Treasuries are exempt from state and local taxes, but subject to federal taxes. Other securities listed are subject to federal, state and local taxes. Prices of equity securities change in response to many factors, including the historical and prospective earnings of the issuer, the value of its assets, general economic conditions, interest rates, investor perceptions and market liquidity. Prices of bonds change in response to factors such as interest rates and issuer's credit worthiness, among others. Investing in smaller companies involves risks not associated with investing in more established companies such as business risk, stock price fluctuations and illiquidity. **Standard deviation** is the statistical measure of the historical volatility of a portfolio.

Historical information is not indicative of future results; current data may differ from data quoted. The listed indices are unmanaged and are not securities in which an investment can be made. See index descriptions at the end. See disclaimers on slides 2 and 3.

Highest quality available in the muni market

- Pre-refunded bonds (pre-res) offer a high-level of relative quality because they use cash flows from U.S. Treasury bonds to satisfy coupon and interest payments. Here is how it works:
- As interest rates fall, a municipality may choose to refinance higher-interest debt, issuing a new bond at a lower interest rate.
- Now, the municipality has sufficient funds to pay off the original bond. However, that original bond may not have reached its first call date. In such an instance, the municipality may opt to buy Treasuries, place them in an escrow account and use the interest to pay the interest on the original muni until it is callable.
- The original bond becomes a pre-refunded bond and is typically considered of the highest quality available in the muni market, because the collateral carry the full faith and credit of the U.S. Treasury.*

 	<p>6%</p>  <p>4%</p>				 
<p>State or local government issues general obligation or revenue bond at 6% coupon</p>	<p>Interest rates decline, giving issuer incentive to save money by refinancing the bond</p>	<p>State or local government issues refunding bond at 4%, using proceeds to buy U.S. Treasury obligations</p>	<p>U.S. Treasury obligations placed in escrow to pay principal and coupon interest for now "pre-refunded" original bond, until its call or maturity date</p>	<p>Pre-refunded bonds are discharged from original purpose but continue to pay tax-free interest income</p>	<p>State or local government benefits from lower financing costs to build or maintain original project</p>

* Note: Issuers often do not pay to have a pre-refunded issue re-rated by a national rating agency such as Moody's, S&P or Fitch. For illustrative purposes only. See disclaimers on slides 2 and 3.

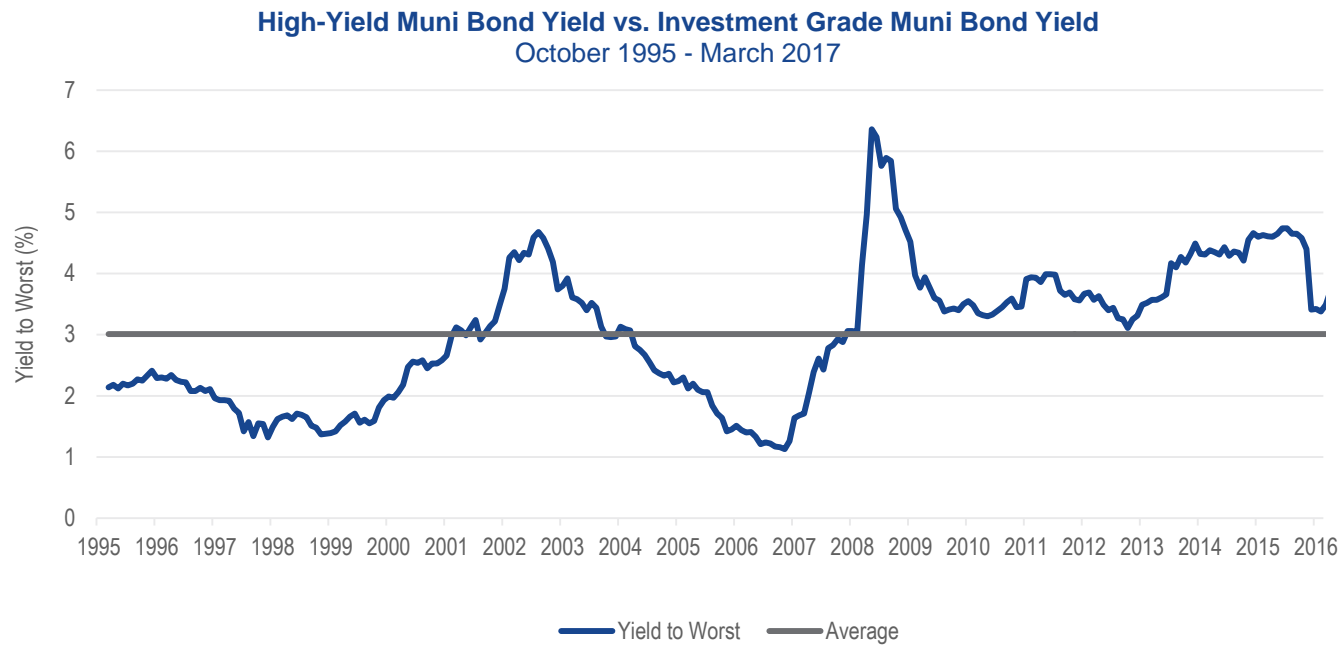
High-yield municipal bonds



High-yield municipal bond spreads



High-yield muni bond spreads are wider than historical averages providing the potential for competitive yields.



Source: FactSet.

Yield spread is the difference between the yield to worst of Barclays Municipal High Yield Index and the yield to worst of Barclays Municipal Index. See end for index descriptions.

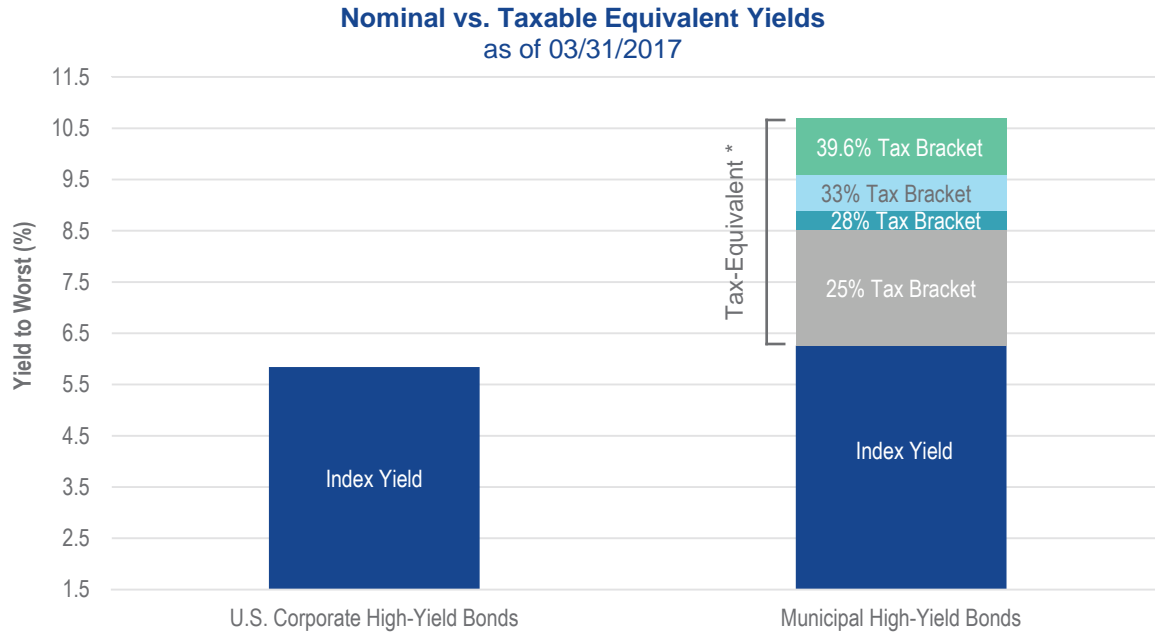
Yield to worst is generally defined as being the lowest yield that a buyer can expect to receive.

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Power of tax-exempt status



Tax-exempt yield may potentially provide a compelling income opportunity.



Source: Bloomberg.

For illustrative purposes only. U.S. Corporate High Yield Bonds: Based on Barclays U.S. Corporate High Yield Bond Index and Municipal High-Yield Bonds: Based on Barclays Municipal High-Yield Bond Index. See end for index descriptions. **Yield to worst** is the lowest yield that a buyer can expect among the reasonable alternatives, such as yield to maturity, yield to call, and yield to refunding.

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Tax equivalent yield calculated based on federal income tax rate. State, local and alternative minimum taxes have not been considered in the analysis.

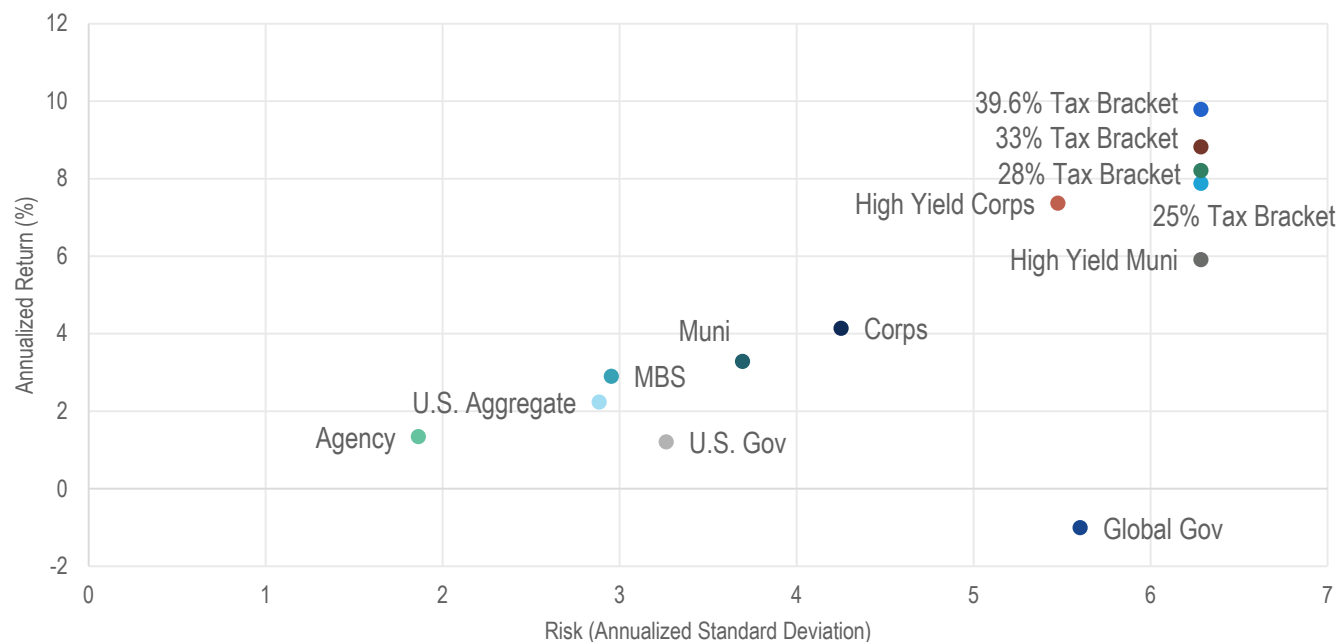
Please note that depending on your tax bracket, the potential tax equivalent returns may be higher or lower. See disclaimers on slides 2 and 3.

Risk/reward profile



The tax-exempt status of municipal bonds provides a compelling risk/reward profile.

High-Yield Municipal Bond Taxable-Equivalent Returns
June 2011 - March 2017



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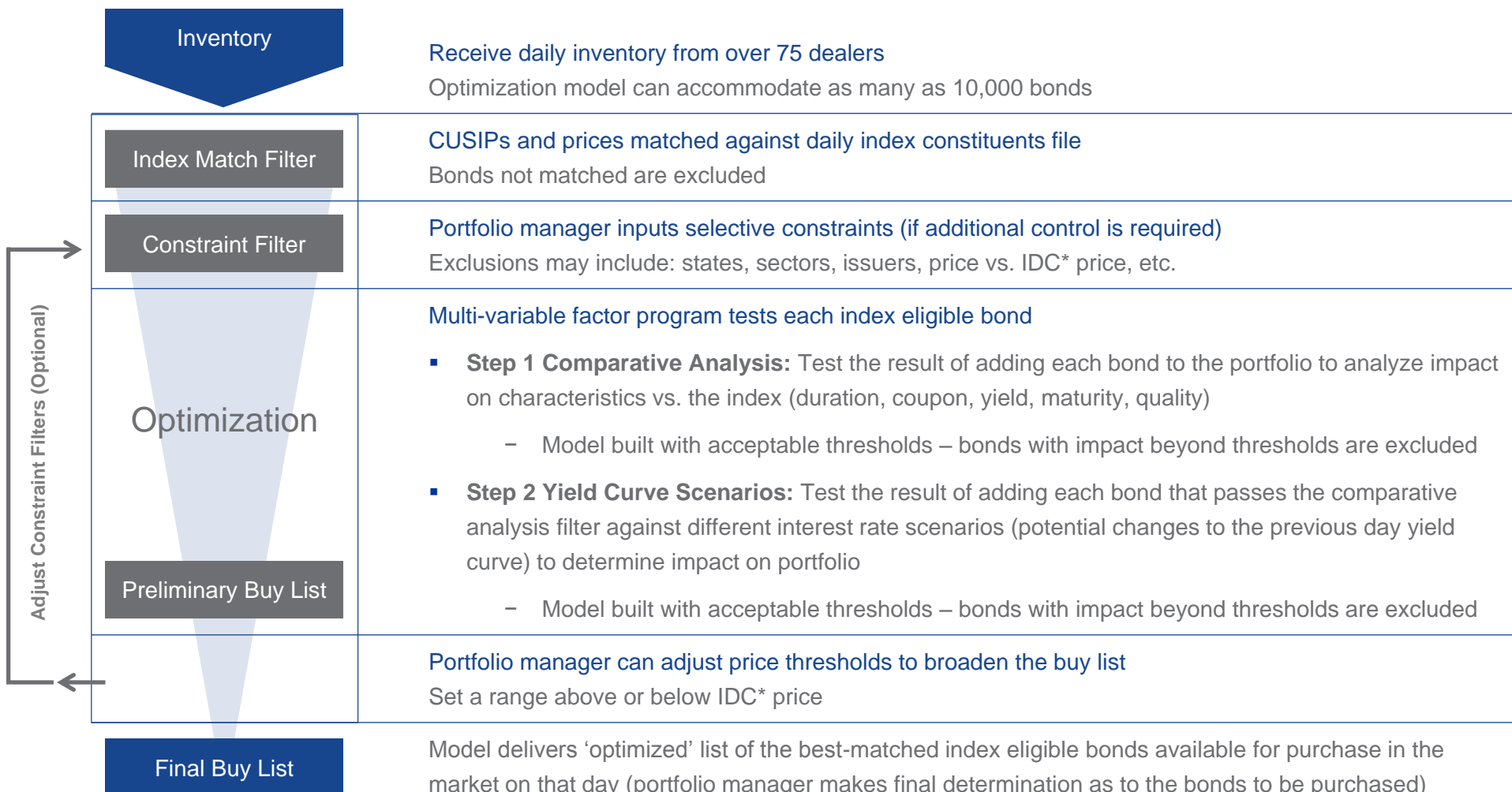
Source: FactSet. For illustrative purposes only. **Taxable-equivalent return** represents the return a taxable bond would have to earn in order to match—after federal taxes—the return available on a tax-exempt municipal bond (excluding AMT). Municipal bonds may be subject to state and local taxes as well as to federal taxes on gains and may be subject to alternative minimum tax. The chart displays the returns of the Barclays Municipal Bond Index on a tax-equivalent return basis and compares such returns to other asset classes as represented by the indexes described at the end of this presentation. Fixed income investments have interest rate risk, which refers to the risk that bond prices generally fall as interest rates rise and vice versa. U.S. government bonds are guaranteed by the full faith and credit of the United States government. Municipal, corporate, agency and mortgage-backed bonds are not guaranteed by the full faith and credit of the United States and carry the credit risk of the issuer. Municipal bonds are exempt from federal taxes and often state and local taxes. U.S. Treasuries are exempt from state and local taxes, but subject to federal taxes. Other securities listed are subject to federal, state and local taxes. Prices of equity securities change in response to many factors, including the historical and prospective earnings of the issuer, the value of its assets, general economic conditions, interest rates, investor perceptions and market liquidity. Prices of bonds change in response to factors such as interest rates and issuer's credit worthiness, among others. Investing in smaller companies involves risks not associated with investing in more established companies such as business risk, stock price fluctuations and illiquidity. **Standard deviation** is the statistical measure of the historical volatility of a portfolio.

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Municipal income ETF investment process



Our optimization process allows us to successfully track very large indexes without holding the entire set of constituents



*International Data Corporation (third party pricing service)

The municipal income ETF investment process is subject to change at any time. For illustrative purposes only.

Portfolio manager biography



James T. Colby III

- Serves as portfolio manager and senior municipal strategist, responsible for VanEck Vectors non-taxable exchange traded funds, including market strategy and security analysis.
- Prior to joining VanEck, held several senior municipal fixed income positions, including director and senior portfolio manager for High Yield Municipal Fixed Income at Lord Abbett; director and senior portfolio manager for Municipal Fixed Income at John Hancock Funds; director for fixed income management at Old Harbor Capital; and co-manager/senior portfolio manager for municipal funds at Evergreen Asset Management.
- Featured speaker at various industry conference roundtables; has made appearances on and/or been quoted by various media, including CNBC, Bloomberg and Daily Bond Buyer.
- Member of National Municipal Buyers Conference (Chairman, 1996), Municipal Forum of New York and Boston Fixed Income Management Society.
- MBA, Finance, Hofstra University, 1979; BA, Economics and International Relations, Brown University, 1972.

Index descriptions



The indices listed are unmanaged indices and do not reflect the payment of transaction costs, advisory fees or expenses that are associated with an investment in any Fund. An index's performance is not illustrative of any Fund's performance. Indices are not securities in which investments can be made.

Investment Grade Munis: The Barclays Municipal Bond Index is considered representative of the broad market for investment grade, tax-exempt municipal bonds with a maturity of at least one year. The AAA and BBB indices are sub-sets of this broader index.

High-Yield Munis: The Barclays High Yield Municipal Bond Index is considered representative of the broad market for non-investment grade, tax-exempt bonds with a maturity of at least one year.

U.S. Bonds: The Barclays U.S. Aggregate Bond Index comprised of fixed-rate, publicly placed, dollar-denominated, and non-convertible investment grade debt issues with at least \$250 million par amount outstanding and with at least one year to final maturity.

Agency Bonds: The Barclays U.S. Agency Index is the Agencies component of the Barclays US Aggregate: Government-Related Index.

Treasuries: The Barclays U.S. Treasury Index is the U.S. Treasury component of the Barclays U.S. Government Index. The index includes public obligations of the U.S. Treasury with a remaining maturity of one year or more.

Corporate Bonds: The Barclays U.S. Corporate Index is the Corporate component of the Barclays U.S. Credit index. The index includes publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements. To qualify, bonds must be SEC-registered.

High-Yield Corporate Bonds: The Barclays U.S. Corporate High-Yield Index covers 50 of the most liquid and tradable U.S. dollar-denominated, non-investment grade corporate bonds for sale in the U.S.

Mortgage Bonds: The Barclays U.S. Mortgages Index is the U.S. MBS component of the Barclays U.S. Aggregate Index. The Barclays U.S. Asset Backed Securities Index is the Asset-Backed Securities (ABS) component of the Barclays U.S. Aggregate index. The Index includes five subsectors: Credit and charge cards, Autos, Home equity loans, Utility and Manufactured Housing.

Global Government Bonds: The Barclays Global Treasury Index tracks fixed-rate local currency sovereign debt of investment grade countries in the world.

U.S. Large Cap Stocks: The S&P 500 Index is calculated with dividends reinvested and consists of 500 widely held common stocks covering in the leading industries of the U.S. economy.

U.S. Small Cap Stocks: The Russell 2000 Index measures the performance of U.S. small cap stocks: the 2000 smallest companies in the Russell 3000 index, a broad based index that represents approximately 98% of the value of the investable U.S. equity market.