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VANECK'S FALLEN ANGEL HIGH YIELD BOND ETF (ANGL) INCREASES EXPOSURE TO HIGHER RATED, DEEPLY DISCOUNTED BONDS AS DOWNGRADES INCREASE

Fund's 92% weighting in BB rated holdings compares to 56% within the broader high yield bond market

Firm expects 2020 to be the biggest year on record for "fallen angel" volume amidst ongoing market volatility

NEW YORK, May 8, 2020 – [VanEck](#) recently completed the monthly rebalance for its VanEck Vectors® Fallen Angel High Yield Bond ETF (ANGL®) which seeks to replicate as closely as possible, before fees and expenses, the price and yield performance of the ICE US Fallen Angel High Yield 10% Constrained Index. ANGL is the first and largest ETF to focus on the “fallen angel” universe of high yield bonds. [True to the firm's prediction](#) that the category of eligible issuances would grow significantly following the economic turmoil driven by COVID-19 the past few months, VanEck noted that the fallen angel universe increased by 50% during April 2020, with \$72 billion of new fallen angels entering the category¹.

Fallen angels, which are high yield bonds that have been downgraded from investment-grade to junk status, historically have higher credit quality and may be better poised for a rebound than other corners of the junk bond marketplace. Following this most recent rebalancing of ANGL and its underlying index, more than 90% of the fund's holdings are now rated BB, the highest rating within high yield.

¹ VanEck and ICE Data Indices, LLC as of 4/30/2020.

“Given its focus, ANGL has typically had higher overall credit² quality amongst its holdings than other high-yield ETFs on the market, but breaking that 90% level for BB-rated constituents is particularly striking given that the broader high yield market currently has a weight of approximately 56% at the BB level,” said William Sokol, Senior ETF Product Manager, VanEck.

The newest additions to the fund’s portfolio are skewed towards the energy and automotive sectors, as both of those areas of the economy have been hit with a wave of downgrades in recent weeks. Additionally, many newer fallen angels have joined the category at lower price levels compared with others in the category, providing a greater potential to benefit from price recovery.

“In times of distress, a fallen angel strategy can provide investors with a differentiated sector allocation as it buys oversold bonds and overweights sectors where fundamentals have bottomed out,” added Fran Rodilosso, Head of Fixed Income ETF Portfolio Management with VanEck. “We’ve seen historically that this type of strategy can see the biggest absolute and relative performance after periods of high volume, i.e. when a large new contingent of issuances see downgrades from investment grade, triggering a wave of forced selling, as the strategy may buy more bonds at deep discounts.”

About VanEck

VanEck has a history of looking beyond the financial markets to identify trends that are likely to create impactful investment opportunities. We were one of the first U.S. asset managers to offer investors access to international markets. This set the tone for the firm’s drive to identify asset classes and trends – including gold investing in 1968, emerging markets in 1993, and exchange traded funds in 2006 – that subsequently shaped the investment management industry.

Today, VanEck offers active and passive strategies with compelling exposures supported by well-designed investment processes. As of March 31, 2020, VanEck managed approximately \$43.2 billion in assets, including mutual funds, ETFs and institutional accounts. The firm’s capabilities range from core investment opportunities to more specialized exposures to enhance portfolio diversification. Our actively managed strategies are fueled by in-depth, bottom-up research and security selection from portfolio managers with direct experience in the sectors and regions in which they invest. Investability, liquidity, diversity, and transparency are key to the experienced decision-making around market and index selection underlying VanEck’s passive strategies.

Since our founding in 1955, putting our clients’ interests first, in all market environments, has been at the heart of the firm’s mission.

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² The VanEck Vectors® Fallen Angel High Yield Bond ETF (ANGL®) tracks the ICE US Fallen Angel High Yield 10% Constrained Index (HOCF).

Important Disclosures

An investment in the VanEck Vectors® Fallen Angel High Yield Bond ETF (ANGL®) may be subject to risk which includes, among others, high yield securities, foreign securities, foreign currency, credit, interest rate, restricted securities, market, operational, call, sampling, basic materials, consumer discretionary, energy, financial, communications, information technology, index tracking, authorized participant concentration, no guarantee of active trading market, trading issues, passive management, fund shares trading, premium/discount risk and liquidity of fund shares and concentration risks, all of which may adversely affect the Fund.

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