

Staying the Course for Yield in Municipal Bonds

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MAAX VanEck Vectors® Municipal Allocation ETF

Municipal Allocation ETF Overview

The VanEck Vectors® Municipal Allocation ETF ("MAAX") yield was 3.06% vs. 1.89% for the Bloomberg Barclays Municipal Bond Index, as of July 31, 2019. In July, MAAX returned 0.78% vs. 0.81% for the Bloomberg Barclays Municipal Bond Index. MAAX's best performing position was in intermediate term investment grade bonds. Its exposure to high yield and long duration bonds detracted from performance.

Average Annual Total Returns (%) as of July 31, 2019

	1 Mo [†]	YTD [†]	1 Yr	Life (05/15/19)
MAAX (NAV)	0.61	–	–	1.65
MAAX (Share Price)	0.78	–	–	1.75
Bloomberg Barclays Municipal Bond Index*	0.81	5.94	7.31	1.62

Average Annual Total Returns (%) as of June 30, 2019

	1 Mo [†]	YTD [†]	1 Yr	Life (05/15/19)
MAAX (NAV)	0.40	–	–	1.04
MAAX (Share Price)	0.24	–	–	–
Bloomberg Barclays Municipal Bond Index*	0.37	5.09	6.71	0.81

[†]Returns less than a year are not annualized.

Expenses: Gross 0.65%; Net 0.36%. Expenses are capped contractually at 0.08% through February 1, 2020. Expenses are based on estimated amounts for the current fiscal year. Cap excludes acquired fund fees and expenses, interest expense, trading expenses, taxes and extraordinary expenses.

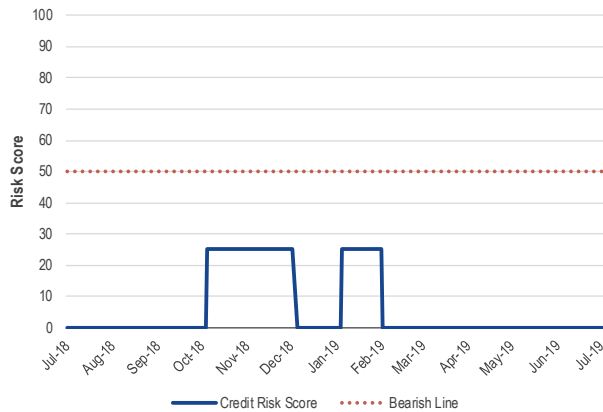
The table presents past performance which is no guarantee of future results and which may be lower or higher than current performance. Returns reflect temporary contractual fee waivers and/or expense reimbursements. Had the ETF incurred all expenses and fees, investment returns would have been reduced. 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 distributions have been reinvested in the Fund at "Net Asset Value" (NAV). NAV 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.

*Bloomberg 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.

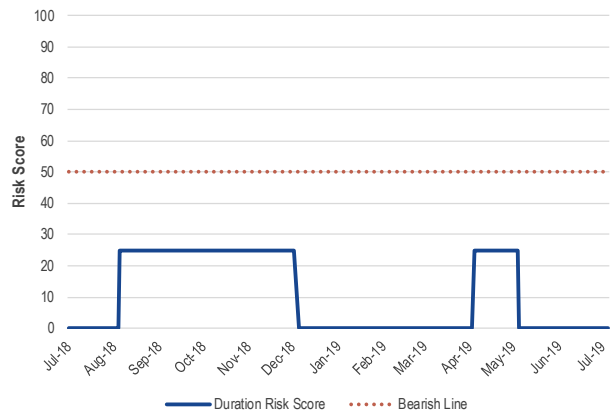
Muni Risk Factors

MAAX remains overweight both credit and duration risks in August. The model is measuring both credit and duration risk as low. The risk is scored from 0 to 100. A score below 50 implies that risk is low and a score of 50 or higher implies that risk is high. The current credit risk score is 0 and the current duration risk score is 0. This leads to our overweight credit and duration positioning.

Credit Total Risk Score

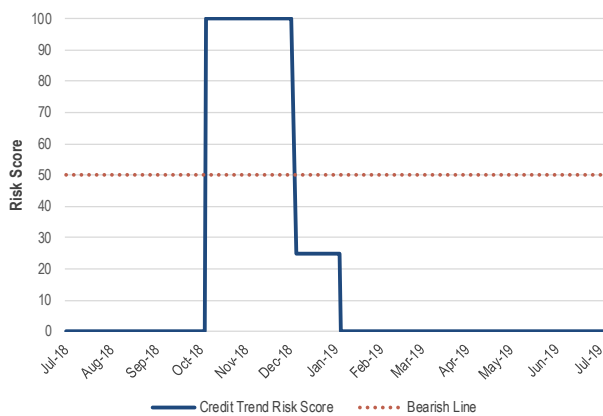


Duration Total Risk Score

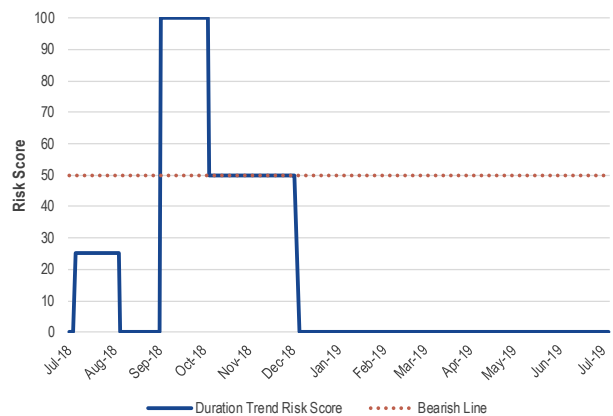


The factors that determine the total level of both credit and duration risks are momentum, volatility and mean reversion. The scoring methodology works the same here. Scores below 50 are bullish and scores 50 or higher are bearish. The scores for momentum of both credit and duration risk are 0.

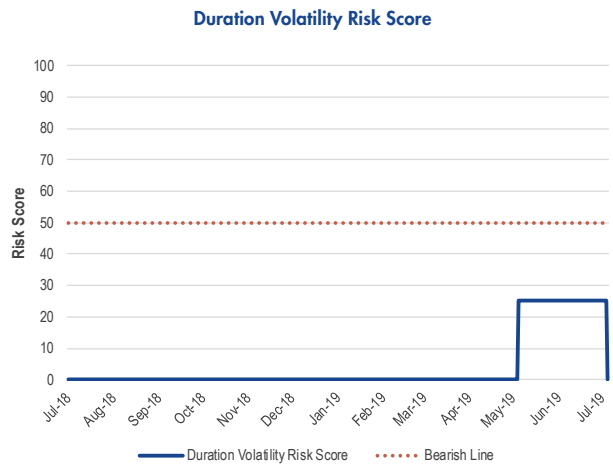
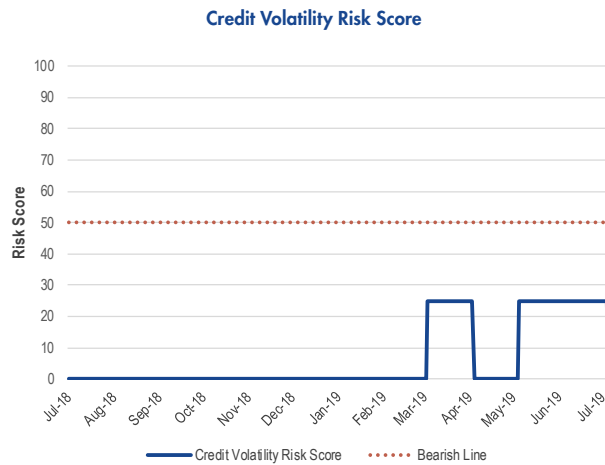
Credit Trend Risk Score



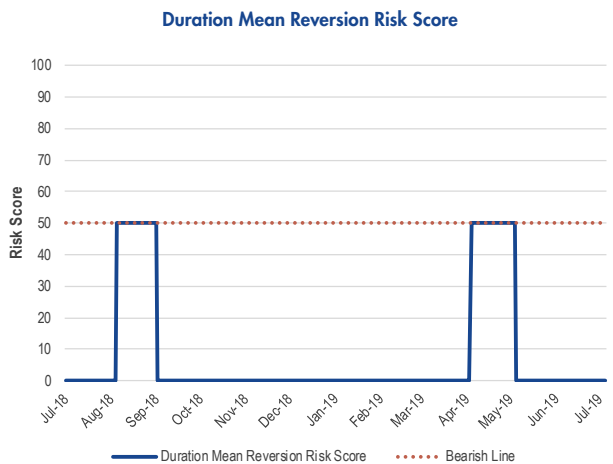
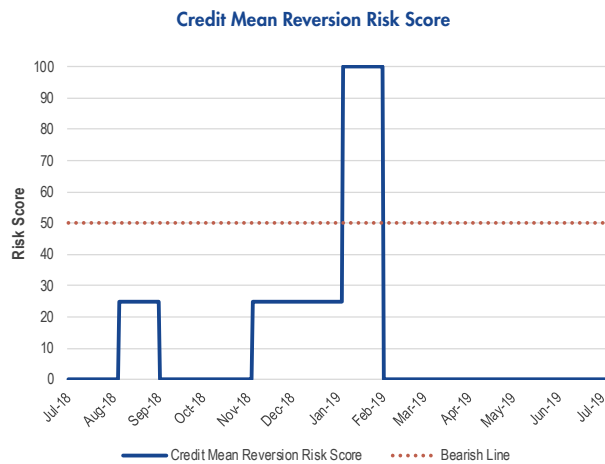
Duration Trend Risk Score



The volatility risk factor uses both realized and implied indicators. Currently, the volatility risk score is 0 for both credit and duration.



The last category of factors is mean reversion. They seek to identify divergences in typical fixed income relationships. These include credit spreads, yield ratios and cross-asset correlations. The mean reversion risk score is 0 for both credit and duration.



Given the modest risk levels measured by MAAX, it is taking both credit and duration risks in the pursuit of yield. These risks will be monitored closely and MAAX's exposures will be adjusted if the risk environment changes materially.

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