

HYD

VanEck High Yield Muni ETF

Analyst Report

This fund tracks an index of municipal bonds, a slice of the bond market that is highly coveted due to its tax features. These bonds are generally free from federal taxes and in some cases, state and local income taxes as well making these funds crucial components of portfolios for those in high tax brackets. Muni bonds are used by local entities to pay for a variety of services or to make improvements to infrastructure paying for everything from new sewer systems to school renovations and bridge construction as such, they are relatively low risk instruments. With that being said, HYD targets bonds that are rated below investment grade and thus contains issues that have a much higher chance of default. Due to this, HYD pays out a yield that is far superior to any other funds in the category including MLN which targets long-dated issues. The fund also offers solid levels of diversification although not as much as other products in the segment; it holds about 100 securities in total with just 21% of assets going to the top ten holdings. Due to its reasonable level of diversification and its ultra high yield, HYD could be a decent choice for investors seeking additional current income and are willing to add more risk to their portfolios. Just make sure to use HYD sparingly and do not allocate all of your muni bond holdings to this somewhat risky fund.

ESG Themes and Scores

N/A

ESG Rate

N/A

Global Percentile

N/A

Peer Percentile

Performance Data

| | HYD | ETF Database Category Average | Factset Segment Average |
|---------------|--------|-------------------------------|-------------------------|
| 1 Month | 1.06% | 0.50% | 1.06% |
| 3 Month | 1.95% | 0.25% | 1.37% |
| YTD Return | 2.26% | 1.35% | 2.66% |
| 1 Year Return | 8.07% | 5.72% | 5.26% |
| 3 Year Return | 4.78% | 2.79% | 1.60% |
| 5 Year Return | -0.05% | 0.50% | 0.15% |

Top 5 Holdings

| Symbol | Holding | % Assets |
|--------|--|----------|
| Other | U.S. Dollar | 5.86% |
| Other | Puerto Rico Sales Tax Fing Corp Sales Tax Rev 0.0% 01- | 0.97% |
| Other | Buckeye Ohio Tob Settlement Fing Auth 5.0% 01-JUN- | 0.84% |
| Other | Tobacco Settlement Fing Corp N J 5.0% 01-JUN-2046 | 0.73% |
| Other | Chicago Ill Brd Ed 5.0% 01-DEC-2042 | 0.65% |

Vitals

| | |
|---------------|--|
| Issuer | VanEck |
| Brand | VanEck |
| Structure | ETF |
| Expense Ratio | 0.32% |
| Inception | Feb 04, 2009 |
| Index Tracked | ICE Broad High Yield Crossover Municipal |

ETF Database Themes

| | |
|-------------------|----------------|
| Category | National Munis |
| Asset Class | Bond |
| Asset Class Size | N/A |
| Asset Class Style | N/A |
| Region (General) | North America |
| Region (Specific) | U.S. |

FactSet Classifications

| | |
|-----------|---|
| Segment | Fixed Income: U.S. - Government, Local Authority/Municipal High Yield |
| Category | Government, Local Authority/Municipal |
| Focus | High Yield |
| Niche | Broad Maturities |
| Strategy | Vanilla |
| Weighting | Market Value |

