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VanEck Vectors ETF Trust  
Form N-CSR  
July 09, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT

INVESTMENT COMPANIES

Investment Company Act file number 811-10325

VANECK VECTORS ETF TRUST  
(Exact name of registrant as specified in charter)

666 Third Avenue, New York, NY 10017  
(Address of principal executive offices) (Zip code)

Van Eck Associates Corporation  
666 THIRD AVENUE, NEW YORK, NY 10017  
(Name and address of agent for service)

Registrant's telephone number, including area code: (212) 293-2000

Date of fiscal year end: APRIL 30

Date of reporting period: APRIL 30, 2018

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Item 1. Report to Shareholders

ANNUAL REPORT  
April 30, 2018

VANECK VECTORS®

AMT-Free Intermediate Municipal Index ETF ITM®

AMT-Free Long Municipal Index ETF MLN®

AMT-Free Short Municipal Index ETF SMB®

High-Yield Municipal Index ETF HYD®

Pre-Refunded Municipal Index ETF PRB®

Short High-Yield Municipal Index ETF SHYD®

CEF Municipal Income ETF XMPT®

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The information contained in the management discussion represents the opinions of VanEck Vectors ETFs and may differ from other persons. This information is not intended to be a forecast of future events, a guarantee of future results or investment advice. The information contained herein regarding each index has been provided by the relevant index provider. Also, unless otherwise specifically noted, any discussion of the Funds’ holdings and the Funds’ performance, and the views of VanEck Vectors ETFs are as of April 30, 2018, and are subject to change.

VANECK VECTORS ETFs

April 30, 2018 (unaudited)

Dear Shareholder,

With municipal bond closed-end funds (CEFs) currently trading at very attractive discounts (market price below net asset value), we believe this may present an exciting buying opportunity for investors in the VanEck Vectors CEF Municipal Income ETF (NYSE Arca: XMPT).

**Premium/Discount: CEFs Held by VanEck Vectors CEF Municipal Income ETF (XMPT)**

*Source: VanEck. Data as of 04/30/2018. Past performance is not indicative of future results. Not intended to be a forecast of future events, a guarantee of future results or investment advice. Current market conditions may not continue.*

**Dividend Cuts and Rising Rates**

Among the various reasons behind these discounts are dividend cuts, which are mostly attributable to rising U.S. short-term interest rates. Many of the larger muni closed-end funds have cut their dividend over the past few months, with the majority having done so at the end of 2017. These cuts have ranged anywhere from 1% to 16%, with the average at approximately 11%.

Higher short-term rates have also increased the borrowing costs for leveraged funds. As a result, the spread (long-term bond income minus the cost of short-term borrowings) made on the leveraged assets has decreased. Along with lackluster performance, discounts appear to have widened further as the marketplace became aware of the dividend cuts. This led to further selling, adding to the downward pressure on prices.

The Fed is expected to continue to hike the Fed funds interest rate over the course of 2018. Beyond short-term rate increases, rising long-term rates can also hurt asset values, and fears of long-term rates going higher in the near-term may also deter investors.

### **An Exciting Buying Opportunity?**

While in the near term, discounts may widen a bit further, we encourage investors to monitor the space closely and consider current levels in what may be a potential buying opportunity. The current discounts of CEFs may offset to some degree the impact of any potential dividend cuts. In addition, we believe the discounts will likely narrow if buyers come back into the market chasing higher yields.

We believe XMPT provides investors with a simple option for holding a diversified basket of muni closed-end funds. The fund seeks to track an index with a modified net asset-weighting methodology, designed specifically

VANECK VECTORS ETFs

(unaudited) (continued)

to take advantage of the inherent inefficiencies of closed-end fund trading. This methodology underweights CEFs trading at premiums and overweights CEFs trading at discounts, creating a natural buy-low and sell-high approach.

To help you stay in the know and make sense of the muni market consider subscribing to Muni Nation<sup>®</sup>, our blog on the municipal bond market written by Jim Colby, senior municipal strategist and portfolio manager. To subscribe to the updates, please contact us at 800.826.2333 or visit [vaneck.com/subscription](http://vaneck.com/subscription) to register.

Thank you for participating in the VanEck Vectors ETF Trust. On the following pages, you will find the performance record of each of the funds for the 12-month period ending April 30, 2018. You will also find their respective financial statements. We value your continuing confidence in us and look forward to helping you meet your investment goals in the future.

*Jan F. van Eck  
Trustee and President  
VanEck Vectors ETF Trust*

May 16, 2018

*Represents the opinions of the investment adviser. Past performance is no guarantee of future results. Not intended to be a forecast of future events, a guarantee of future results or investment advice. Current market conditions may not continue.*

**Management Discussion** (unaudited)

**Market Review**

During the 12-month period ended April 30, 2018, four funds in the suite of VanEck Vectors Municipal Income ETFs posted positive returns. The VanEck Vectors High-Yield Municipal Index ETF (NYSE Arca: HYD) was the best performer and the VanEck Vectors CEF Municipal Income ETF (NYSE Arca: XMPT) performed least well.

**May 1, 2017 through April 30, 2018**

**VanEck Vectors Municipal Income ETFs Total Return**

*Source: VanEck Research. Returns based on NAV. The performance data quoted represents past performance. Past performance is not a guarantee of future results. 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 dividends and capital gains distributions have been reinvested in the Fund at NAV. Current performance may be lower or higher than performance data quoted.*

***AMT-Free Intermediate Municipal Index ETF***

Munis from California contributed the most to the total return of the Fund. When grouped by state/U.S. territory, munis from Iowa detracted the most from performance, but then only minimally. State and local munis were the two largest contributing sectors to the Fund's performance.

***AMT-Free Long Municipal Index ETF***

The healthcare, transportation, local, and water & sewer sectors contributed most to the Fund's total return and while no sector detracted from performance, the solid waste/resource recovery sector contributed the least. Municipal bonds

issued by California and New York contributed the most to performance. Grouped by state/U.S. territory, municipal bonds issued by Oklahoma were the greatest detractors from performance, but then only minimally.

***AMT-Free Short Municipal Index ETF/Pre-Refunded Municipal Index ETF***

Among short munis, the leasing sector contributed the greatest positive return to AMT-Free Short Municipal Index ETF. The local, state, and special tax sectors accounted for the slight negative return. In terms of state/U.S. territory, New Jersey contributed by far the most to the total return of the Fund, while New York detracted the most from performance.

Munis from Virginia contributed the most to the positive total return of the Pre-Refunded Municipal Index ETF. Grouped by state/U.S. territory, munis from Ohio and Mississippi detracted the most from performance.



VANECK VECTORS ETFs

(unaudited) (continued)

***Short High-Yield Municipal Index ETF/High-Yield Municipal Index ETF***

The industrial revenue sector was by far the largest contributor to performance, while the special tax sector was the largest detractor. Grouped by state/U.S. territory, Illinois was the greatest contributor to the Fund's total return, while munis from New Mexico detracted the most from performance.

In the High-Yield Municipal Index ETF, the industrial revenue, local, and healthcare sectors contributed the most to the Fund's positive total return. Solid waste/resource recovery was the only sector to detract from performance. Munis from Illinois made by far the greatest contribution to performance and those from Oklahoma detracted the most from performance.

***CEF Municipal Income ETF***

Over the 12 months under review, the average discount at which municipal closed-end funds (CEFs) traded within a very wide range. Starting May 1, 2017 at -3.82, the discount narrowed to -2.33 on August 1, 2017, only to widen to -9.43 on March 25, 2018-most probably as a result of the large amount of new issuance ahead of the passage of the Tax Cuts and Jobs Act. This was, in turn, followed by reduced investor demand due to uncertainties around not only the impact that the new law would have on municipal bonds, but also interest rates hikes and were the primary factors to the Fund's negative return.

## VANECK VECTORS AMT-FREE INTERMEDIATE MUNICIPAL INDEX ETF

## PERFORMANCE COMPARISON

April 30, 2018 (unaudited)

**Average Annual Total Returns    Cumulative Total Returns**

	<b>Share Price</b>	<b>NAV</b>	<b>LMT2TR<sup>1</sup></b>	<b>Share Price</b>	<b>NAV</b>	<b>LMT2TR<sup>1</sup></b>
One Year	1.00%	1.04%	1.53%	1.00%	1.04%	1.53%
Five Year	1.98%	2.06%	2.73%	10.28%	10.73%	14.44%
Ten Year	4.11%	4.17%	4.91%	49.56%	50.46%	61.43%

Bloomberg Barclays AMT-Free Intermediate Continuous Municipal Index (LMT2TR) is a market size weighted index comprised of publicly traded municipal bonds that cover the U.S. dollar denominated intermediate term tax-exempt bond market and that must be rated Baa3/BBB- or higher by at least two of the following ratings agencies if all three agencies rate the security: Moody's, S&P and Fitch. If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. If only one of the three agencies rates a security, the rating must be at least Baa3/BBB-. Potential Intermediate Index constituents must have an outstanding par value of at least \$7 million and be issued as part of a transaction of at least \$75 million. The bonds must be fixed rate, have a dated date within the last five years and have an effective maturity of 6 to 17 years. The following types of bonds are excluded from the Intermediate Index: bonds subject to the alternative minimum tax, taxable municipal bonds, floating rate bonds and derivatives.

This chart shows the value of a hypothetical \$10,000 investment in the Fund at NAV and at Share Price over the past 10 fiscal year periods. The result is compared with the Fund's benchmark.

**Hypothetical Growth of \$10,000**

**Past performance is no guarantee of future results. Performance results do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares.**

See "About Fund Performance" on page 12 for more information.

VANECK VECTORS AMT-FREE LONG MUNICIPAL INDEX ETF

PERFORMANCE COMPARISON

April 30, 2018 (unaudited)

**Average Annual Total Returns    Cumulative Total Returns**

	<b>Share Price</b>	<b>NAV</b>	<b>LMT3TR<sup>1</sup></b>	<b>Share Price</b>	<b>NAV</b>	<b>LMT3TR<sup>1</sup></b>
One Year	2.71%	3.02%	3.64%	2.71%	3.02%	3.64%
Five Year	2.78%	2.80%	3.69%	14.71%	14.83%	19.88%
Ten Year	4.23%	4.21%	5.42%	51.35%	51.05%	69.60%

Bloomberg Barclays AMT-Free Long Continuous Municipal Index (LMT3TR) is a market size weighted index comprised of publicly traded municipal bonds that cover the U.S. dollar denominated long-term tax-exempt bond market and that must be rated Baa3/BBB- or higher by at least two of the following ratings agencies if all three agencies rate the security: Moody's, S&P and Fitch. If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. If only one of the three agencies rates a security, the rating must be at least Baa3/BBB-. Potential Index constituents must have an outstanding par value of at least \$7 million and be issued as part of a transaction of at least \$75 million. The bonds must be fixed rate, have a dated date within the last five years and have an effective maturity of 17 or more years. The following types of bonds are excluded from the Index: bonds subject to the alternative minimum tax, taxable municipal bonds, floating rate bonds and derivatives.

This chart shows the value of a hypothetical \$10,000 investment in the Fund at NAV and at Share Price over the past 10 fiscal year periods. The result is compared with the Fund's benchmark.

**Hypothetical Growth of \$10,000**

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See "About Fund Performance" on page 12 for more information.

## VANECK VECTORS AMT-FREE SHORT MUNICIPAL INDEX ETF

## PERFORMANCE COMPARISON

April 30, 2018 (unaudited)

**Average Annual Total Returns Cumulative Total Returns**

	<b>Share Price NAV</b>	<b>LMT1TR<sup>1</sup></b>	<b>Share Price NAV</b>	<b>LMT1TR<sup>1</sup></b>
One Year	(1.11)%	(0.70)%	(1.11)%	(0.70)%
Five Year	0.34%	0.51%	1.69%	2.57%
Ten Year	2.06%	2.11%	22.56%	23.21%

Bloomberg Barclays AMT-Free Short Continuous Municipal Index (LMT1TR) is a market size weighted index comprised of publicly traded municipal bonds that cover the U.S. dollar denominated short-term tax-exempt bond market and that must be rated Baa3/BBB- or higher by at least two of the following ratings agencies if all three agencies rate the security: Moody's, S&P and Fitch. If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. If only one of the three agencies rates a security, the rating must be at least Baa3/BBB-. Potential Index constituents must have an outstanding par value of at least \$7 million and be issued as part of a transaction of at least \$75 million. The bonds must be fixed rate, have a dated date within the last five years and have an effective maturity of 1 to 6 years. The following types of bonds are excluded from the Index: bonds subject to the alternative minimum tax, taxable municipal bonds, floating rate bonds and derivatives.

This chart shows the value of a hypothetical \$10,000 investment in the Fund at NAV and at Share Price over the past 10 fiscal year periods. The result is compared with the Fund's benchmark.

**Hypothetical Growth of \$10,000**

**Past performance is no guarantee of future results. Performance results do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares.**

See "About Fund Performance" on page 12 for more information.

## VANECK VECTORS HIGH-YIELD MUNICIPAL INDEX ETF

## PERFORMANCE COMPARISON

April 30, 2018 (unaudited)

	Average Annual Total Returns			Cumulative Total Returns		
	Share Price	NAV	LMEHTR <sup>1</sup>	Share Price	NAV	LMEHTR <sup>1</sup>
One Year	5.83%	5.48%	6.13%	5.83%	5.48%	6.13%
Five Year	3.65%	3.56%	4.90%	19.63%	19.12%	27.01%
Life*	7.79%	7.79%	8.99%	99.89%	99.95%	121.32%

\*Commencement of Fund: 2/4/2009; First Day of Secondary Market Trading: 2/5/2009.

Barclays Municipal Custom High Yield Composite Index (LMEHTR) is a market size weighted index composed of publicly traded municipal bonds that cover the U.S. dollar denominated high yield long-term tax-exempt bond market. The majority of the High Yield Index's constituents are from the revenue sector, with some constituents being from the general obligation sector. The revenue sector is divided into industry sectors that consist of but may not be limited to electric, health care, transportation, education, water & sewer, resource recovery, leasing and special tax. The High Yield Index tracks the high yield municipal bond market with a 75% weight in non-investment grade municipal bonds and a targeted 25% weight in Baa/BBB rated investment grade municipal bonds.

To be included in the index, 50% weighting of bonds must have an outstanding par value of at least \$3 million and be issued as part of a transaction of at least \$100 million; 25% weighting of bonds must have an outstanding par value of at least \$3 million and be issued as part of a transaction of under \$100 million but over \$20 million; 25% weighting of bonds must have an outstanding par value of at least \$7 million and be issued as part of a transaction of at least \$100 million. Remarketed issues are not allowed in the index.

This chart shows the value of a hypothetical \$10,000 investment in the Fund at NAV and at Share Price over the past 10 fiscal year periods or since inception (for funds lacking 10-year records). The result is compared with the Fund's benchmark.

**Hypothetical Growth of \$10,000 (Since Inception)**

**Past performance is no guarantee of future results. Performance results do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares.**

See "About Fund Performance" on page 12 for more information.



VANECK VECTORS PRE-REFUNDED MUNICIPAL INDEX ETF

PERFORMANCE COMPARISON

April 30, 2018 (unaudited)

**Average Annual Total Returns Cumulative Total Returns**

	Share Price NAV		LMPETR <sup>1</sup>		Share Price NAV		LMPETR <sup>1</sup>	
One Year	(0.01)%	(0.51)%	(0.23)%	(0.01)%	(0.51)%	(0.23)%		
Five Year	0.10%	0.00%	0.62%	0.52%	0.02%	3.16%		
Life*	0.94%	0.93%	1.33%	9.05%	8.93%	12.96%		

\* Commencement of Fund: 2/2/2009; First Day of Secondary Market Trading: 2/3/2009.  
 Bloomberg Barclays Municipal Pre-Refunded—Treasury-Escrowed Index (LMPETR) is a market size weighted index comprised of publicly traded municipal bonds that cover the U.S. dollar denominated tax-exempt bond market and is comprised of pre-refunded and/or escrowed-to-maturity municipal bonds. Potential Pre-Refunded Index constituents must have an outstanding par value of at least \$7 million and be issued as part of a transaction of at least \$75 million in market value. Each potential Pre-Refunded Index component must be pre-refunded or escrowed-to-maturity, provided that the underlying collateral in the escrow account is comprised of marketable U.S. Treasury securities, U.S. Treasury-issued State and Local Government Series (SLGS) securities and/or U.S. government agency-issued securities. In addition, each potential Pre-Refunded Index component must have a fixed rated coupon and be denominated in U.S. dollars. The following types of bonds are excluded from the Pre-Refunded Index: taxable municipal bonds, floating rate bonds and derivatives.

This chart shows the value of a hypothetical \$10,000 investment in the Fund at NAV and at Share Price over the past 10 fiscal year periods or since inception (for funds lacking 10-year records). The result is compared with the Fund’s benchmark.

**Hypothetical Growth of \$10,000 (Since Inception)**

**Past performance is no guarantee of future results. Performance results do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares.**

See “About Fund Performance” on page 12 for more information.

## VANECK VECTORS SHORT HIGH-YIELD MUNICIPAL INDEX ETF

## PERFORMANCE COMPARISON

April 30, 2018 (unaudited)

	Average Annual Total Returns			Cumulative Total Returns		
	Share Price	NAV	BMHYTR <sup>1</sup>	Share Price	NAV	BMHYTR <sup>1</sup>
One Year	3.42%	3.07%	3.93%	3.42%	3.07%	3.93%
Life*	2.33%	2.35%	4.01%	10.41%	10.48%	18.38%

\*Commencement of Fund: 1/13/2014; First Day of Secondary Market Trading: 1/14/2014.

Bloomberg Barclays Municipal High Yield Short Duration Index (BMHYTR) is a market size weighted index composed of publicly traded municipal bonds that cover the U.S. dollar denominated high yield short-term tax-exempt bond market.

The majority of the Index's constituents are from the revenue sector, with some constituents being from the general obligation sector. The revenue sector is divided into industry sectors that consist of but may not be limited to electric, health care, transportation, education, water & sewer, resource recovery, leasing and special tax. The Short High-Yield Index tracks the high yield municipal bond market with a targeted 65% weight in noninvestment grade municipal bonds, a targeted 25% weight in Baa/BBB rated investment grade municipal bonds and a targeted 10% weight in A1/A rated investment grade municipal bonds.

To be included in the index, 40% weighting of bonds must have an outstanding par value of at least \$3 million and be issued as part of a transaction of at least \$100 million; 25% weighting of bonds must have an outstanding par value of at least \$3 million and be issued as part of a transaction of under \$100 million but over \$20 million; 25% weighting of bonds must have an outstanding par value of at least \$7 million and be issued as part of a transaction of at least \$100 million; 10% weighting of bonds must have an outstanding par value of at least \$7 million and be issued as part of a transaction of at least \$75 million.

This chart shows the value of a hypothetical \$10,000 investment in the Fund at NAV and at Share Price over the past 10 fiscal year periods or since inception (for funds lacking 10-year records). The result is compared with the Fund's benchmark.

#### Hypothetical Growth of \$10,000 (Since Inception)

**Past performance is no guarantee of future results. Performance results do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares.**



See “About Fund Performance” on page 12 for more information.

VANECK VECTORS CEF MUNICIPAL INCOME ETF

PERFORMANCE COMPARISON

April 30, 2018 (unaudited)

**Average Annual Total Returns      Cumulative Total Returns**

	<b>Share Price NAV</b>		<b>CEFMXTR<sup>1</sup></b>		<b>Share Price NAV</b>		<b>CEFMXTR<sup>1</sup></b>	
One Year	(1.47)%	(1.45)%	(1.24)%	(1.47)%	(1.45)%	(1.24)%		
Five Year	2.84%	2.86%	3.19%	15.05%	15.13%	17.01%		
Life*	5.43%	5.42%	5.77%	43.31%	43.17%	46.51%		

\*Commencement of Fund: 7/12/2011; First Day of Secondary Market Trading: 7/13/2011

S-Network Municipal Bond Closed-End Fund Index<sup>SM</sup> (CEFMXTR) is a rules-based index intended to serve as a benchmark for closed-end funds listed in the U.S. that are principally engaged in asset management processes designed to produce federally tax-exempt annual yield. CEFMXTR employs a modified total net assets weighting methodology designed to provide investment exposure across the various business segments that together comprise the federally tax-exempt annual yield sector of the closed-end fund market. The Index is divided into four main closed-end fund segments including: leveraged municipal fixed income closed-end funds; unleveraged municipal fixed income closed-end funds; leveraged high yield municipal fixed income closed-end funds; and unleveraged high yield municipal fixed income closed-end funds.

This chart shows the value of a hypothetical \$10,000 investment in the Fund at NAV and at Share Price over the past 10 fiscal year periods or since inception (for funds lacking 10-year records). The result is compared with the Fund's benchmark.

**Hypothetical Growth of \$10,000 (Since Inception)**

**Past performance is no guarantee of future results. Performance results do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares.**

See "About Fund Performance" on page 12 for more information.

VANECK VECTORS ETF TRUST

ABOUT FUND PERFORMANCE

(unaudited)

The price used to calculate market return (Share Price) is determined by using the closing price listed on its primary listing exchange. Since the shares of each Fund did not trade in the secondary market until after each Fund's commencement, for the period from commencement to the first day of secondary market trading in shares of each Fund, the NAV of each Fund is used as a proxy for the secondary market trading price to calculate market returns.

**The performance data quoted represents past performance. Past performance is not a guarantee of future results.** Performance information for each Fund, except for a Fund with unitary fees, reflects temporary waivers of expenses and/or fees. Had each Fund incurred all expenses, investment returns would have been reduced. These returns do not reflect the deduction of taxes that a shareholder would pay on Fund dividends and distributions or the sale of Fund shares.

**Investment return and value of the shares of each Fund will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. Performance may be lower or higher than performance data quoted. Fund returns reflect reinvestment of dividends and capital gains distributions. Performance current to the most recent month-end is available by calling 800.826.2333 or by visiting vaneck.com.**

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.

The "Net Asset Value" (NAV) of a VanEck Vectors exchange-traded fund (ETF) 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 fund shares at NAV.

Index returns assume the reinvestment of all income and do not reflect any management fees or brokerage expenses associated with Fund returns. Certain indices may take into account withholding taxes. Investors cannot invest directly in the Index. Returns for actual Fund investors may differ from what is shown because of differences in timing, the amount invested and fees and expenses.

## Edgar Filing: VanEck Vectors ETF Trust - Form N-CSR

The Intermediate Index, Long Index, Short Index, High Yield Index, Pre-Refunded Index, and Short High-Yield Index are published by Bloomberg Finance L.P. and its affiliates (Bloomberg). CEFMX Index is published by S-Network Global Indexes, LLC (S-Network).

Bloomberg and S-Network are referred to herein as the “Index Providers.” The Index Providers do not sponsor, endorse, or promote the Funds and bear no liability with respect to the Funds or any security.

Premium/discount information regarding how often the closing trading price of the Shares of each Fund were above (i.e., at a premium) or below (i.e., at a discount) the NAV of the Fund for each of the four previous calendar quarters and the immediately preceding five years (if applicable) can be found at [www.vaneck.com](http://www.vaneck.com).

VANECK VECTORS ETF TRUST

EXPLANATION OF EXPENSES

(unaudited)

**Hypothetical \$1,000 investment at beginning of period**

As a shareholder of a Fund, you incur operating expenses, including management fees and other Fund expenses. This disclosure is intended to help you understand the ongoing costs (in dollars) of investing in your Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The disclosure is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period, November 1, 2017 to April 30, 2018.

**Actual Expenses**

The first line in the table below provides information about account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled “Expenses Paid During the Period.”

**Hypothetical Example for Comparison Purposes**

The second line in the table below provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in your Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as brokerage commissions paid on purchases and sales. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

Beginning Account Value	Ending Account Value	Annualized Expense Ratio	Expenses Paid During the Period* November 1, 2017 –
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	November 1, 2017	April 30, 2018	During Period	April 30, 2018
AMT- Free Intermediate Municipal Index ETF				
Actual	\$1,000.00	\$ 981.10	0.24%	\$1.18
Hypothetical**	\$1,000.00	\$ 1,023.60	0.24%	\$1.20
AMT-Free Long Municipal Index ETF				
Actual	\$1,000.00	\$ 989.80	0.24%	\$1.18
Hypothetical**				