

VanEck Launches CLOB ETF: Focusing on AA-BB CLOs for Higher Yield Opportunity

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The actively managed CLOB, sub-advised by PineBridge Investments, seeks attractive opportunities in mezzanine CLOs and enhances access to growing \$1.5 trillion global CLO market, building on the previously launched VanEck CLO ETF, which provides investment grade CLO exposure.

CLOB aims to provide higher yield potential through a risk-managed approach to mezzanine CLO investing and comes as investors face uncertainty in the markets and the cusp of an interest rate regime change.

NEW YORK, NY (September 25, 2024) – [VanEck](#) today announced the launch of the [VanEck CLO AA-BB ETF \(CLOB\)](#), an actively managed investment strategy sub-advised by PineBridge Investments, a leader in collateralized loan obligation (CLO) investing. CLOB invests primarily in AA to BB rated tranches of CLOs of any maturity.

CLOB actively allocates to the most attractive opportunities in mezzanine CLOs, according to PineBridge, to access potentially higher return potential compared to investment-grade CLOs. CLOs offer an attractive yield pickup compared to similarly rated corporate bonds and loans, along with structural built-in protection against credit loss. Along with floating rate coupons that insulate investors from interest rate driven volatility, this combination of higher yields and higher quality has been compelling to income investors facing uncertain markets ahead.

CLOB expands VanEck's leadership in delivering income-focused investment solutions, including the [VanEck CLO ETF \(CLOI\)](#), also sub-advised by PineBridge. CLOI focuses on investment grade CLOs and has stood out for its risk-adjusted performance since launching in June 2022. PineBridge, a \$170 billion private global asset manager, has extensive experience in CLOs and possesses a unique vantage point both as a CLO originator and investor in third-party CLOs. Since 1999, PineBridge has issued 39 CLOs in the US and Europe, with a par value of approximately \$16 billion and reissued, reset, or refinanced 22 transactions worth \$10.2 billion, as of December 31, 2023.

"The launch of CLO-focused ETFs has been an important development in the CLO market, which is now approaching \$1.5 trillion globally, and also for ETF investors that were not able to access this market before," said William Sokol, Senior ETF Product Manager at VanEck. "As ETF investors become more familiar with the CLO market and increasingly look for opportunities outside of AAA CLOs, we believe a risk-managed approach that actively captures market opportunities is the best way to invest in mezzanine CLOs. CLOB leverages PineBridge's specialized knowledge and experience in this space, and complements CLOI's investment-grade focus. CLOB offers a diversified approach to mezzanine CLO investing with the benefits of the ETF structure: transparency, liquidity, cost and efficient access."

"We're very pleased to partner again with VanEck to further expand access to the mezzanine CLO market," said Laila Kollmorgen, Portfolio Manager, CLO Tranche, at PineBridge and manager of both CLOI and CLOB. "We believe our well-established track record and institutional pedigree, both as a CLO manager and an active investor in CLO tranches, position us advantageously to manage risks effectively, generate income, and ultimately provide alpha for our investors."

In addition to CLOB and CLOI, VanEck's diverse lineup of income ETFs includes the [VanEck Investment Grade Floating Rate ETF \(FLTR\)](#), which invests in U.S.-denominated floating rate notes issued by corporate issuers and rated

investment grade; the [VanEck Fallen Angel High Yield Bond ETF \(ANGL\)](#), offering exposure to high-yield bonds originally issued as investment grade; and the [VanEck BDC Income ETF \(BIZD\)](#), which invests in publicly traded business development companies.

The VanEck team provides regular updates and insights on [income investing on its website](#).

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 August 31, 2024, VanEck managed approximately \$113.9 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.

About PineBridge Investments

PineBridge Investments is a private, global asset manager focused on active, high-conviction investing. We draw on the collective power of our experts in each discipline, market, and region of the world through an open culture of collaboration designed to identify the best ideas. Our mission is to exceed clients' expectations on every level, every day. As of 30 June 2024, the firm managed US\$169.7 billion* across global asset classes for sophisticated investors around the world.

Important Disclosures

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An investment in the **VanEck CLO AA-BB ETF (CLOB)** may be subject to risks which include, among others, Collateralized Loan Obligations (CLO), debt securities, LIBOR Replacement, foreign currency, foreign securities, investment focus, newly-issued securities, extended settlement, affiliated fund, management, derivatives, cash transactions, market, Sub-Adviser, operational, authorized participant concentration, new fund, absence of prior active market, trading issues, fund shares trading, premium/discount, liquidity of fund shares, non-diversified, and seed investor risks. The Fund may also be subject to liquidity, interest rate, floating rate obligations, credit, call, extension, high yield securities, income, valuation, privately-issued securities, covenant lite loans, default of the underlying asset and CLO manager risks, all of which may adversely affect the Fund.

An investment in the **VanEck CLO ETF (CLOI)** may be subject to risks which include, among others, Collateralized Loan Obligations (CLO), debt securities, LIBOR Replacement, foreign currency, foreign securities, investment focus, newly-issued securities, extended settlement, affiliated fund, management, derivatives, cash transactions, market, Sub-Adviser, operational, authorized participant concentration, new fund, absence of prior active market, trading issues, fund shares trading, premium/discount, liquidity of fund shares, non-diversified, and seed investor risks. The Fund may also be subject to liquidity, interest rate, floating rate obligations, credit, call, extension, high yield securities, income, valuation, privately-issued securities, covenant lite loans, default of the underlying asset and CLO manager risks, all of which may adversely affect the Fund.

An investment in the **VanEck Investment Grade Floating Rate ETF (FLTR)** may be subject to risk which includes, among others, foreign securities, foreign currency, investing in Japanese and United Kingdom issuers, credit, interest rate, floating rate, floating rate LIBOR, restricted securities, financial, market, operational, sampling, 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, non-diversified and concentration risks, all of which may adversely affect the Fund.

An investment in the **VanEck 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, Consumer staples, consumer discretionary, energy, communications, 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, non-diversified and concentration risks, all of which may adversely affect the Fund.

An investment in **VanEck BDC Income ETF (BIZD)** may be subject to risks of investments in business development companies (BDC). BDCs invest in private companies and thinly traded securities of public companies, including debt instruments of such companies. Generally, little public information exists for private and thinly traded companies and there is a risk that investors may not be able to make fully informed investment decisions. Less mature and smaller private companies involve greater risk than well-established and larger publicly traded companies. Investing in debt involves risk that the issuer may default on its payments or declare bankruptcy and debt may not be rated by a credit rating agency. Many debt investments in which a BDC may invest will not be rated by a credit rating agency and will be below investment grade quality. These investments have predominantly speculative characteristics with respect to an issuer's capacity to make payments of interest and principal. BDCs may not generate income at all times. Additionally, limitations on asset mix and leverage may prohibit the way that BDCs raise capital. The VanEck BDC Income ETF (BIZD) and its affiliates may not own in excess of 25% of a BDC's outstanding voting securities which may limit the Fund's ability to fully replicate its index. An investment in the Fund may be subject to risks which include, among others, investment restrictions, financial sector, small- and medium-capitalization companies, equity securities, market, operational, 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, issuer-specific changes and concentration risks. Small- and medium-capitalization companies may be subject to elevated risks.

Investing involves substantial risk and high volatility, including possible loss of principal. An investor should consider the investment objective, risks, charges and expenses of a Fund carefully before investing. To obtain a prospectus and summary prospectus, which contain 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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