

Manager Commentary

Soft Start to 2014

By: Stephen Scott, Co-Portfolio Manager

Fund Review

The Fund's Class A shares returned -1.18% during the first quarter (excluding sales charge). During the same period, the HFRX Global Hedge Fund Index (HFRXGL¹) increased 1.11%.

Average Annual Total Returns (%) as of March 31, 2014

	1Q14 ¹	YTD ¹	1 Yr	3 Yr	Life
Class A: NAV (Inception 06/05/09)	-1.18	-1.18	3.53	0.43	1.88
Class A: Maximum 5.75% load	-6.85	-6.85	-2.44	-1.54	0.64
HFRXGL Index	1.11	1.11	4.63	0.46	--
S&P® 500 Index	1.81	1.81	21.86	14.66	--

¹Quarterly and YTD returns are not annualized.

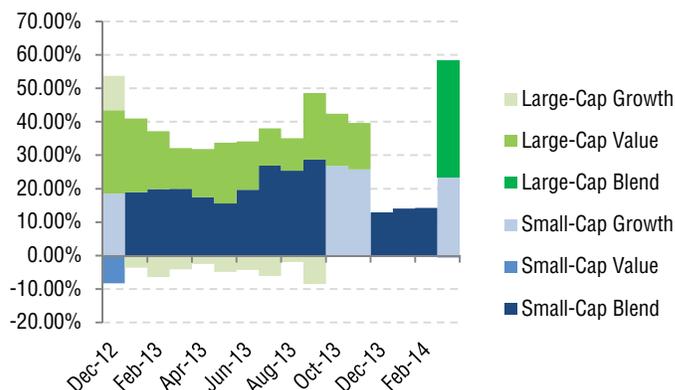
Expenses: Class A: Gross 3.60%; Net 3.60%. Expenses are capped contractually until 05/01/14 at 2.40% for Class A. Caps exclude certain expenses such as acquired fund fees and expenses, interest expense, trading expenses, dividends and interest payments on securities sold short, taxes and extraordinary 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 applicable fee waivers and/or expense reimbursements. Had the Fund incurred all expenses and fees, investment returns would have been reduced. Investment returns and Fund share values will fluctuate so that investor's shares, when redeemed, may be worth more or less than their original cost. Fund returns assume that dividends and capital gains distributions have been reinvested in the Fund at NAV. Index returns assume that dividends of the Index constituents in the Index have been reinvested. Performance information current to the most recent month end is available by calling 800.826.2333 or by visiting vaneck.com.

Investing involves risk, including possible loss of principal. An investor should consider investment objectives, risks, charges, and expenses of the investment company carefully before investing. The prospectus and summary prospectus contain this and other information. Please read them carefully before investing.

Class A shares of the Van Eck Multi-Manager Alternatives Fund (the "Fund") returned -1.18% in the first quarter of 2014. The Fund underperformed its benchmark, the HFRX Global Hedge Fund Index, which returned 1.11% over the three-month period. The trailing 90-day standard deviation as of March 31, 2014 was an annualized 4.61%. A review of each of the underlying sub-strategies reveals that the Fund generated strong performance within the long/short equity category, but overall performance was counterbalanced by losses within the fixed income and global macro strategies.

Market Cap and Style Returns: Market Vectors North America Long/Short Equity Hedge Fund Beta Index



Source: Van Eck. Data as of March 31, 2014.

Market Review

During the first quarter of 2014, the market experienced periods of heightened volatility resulting from, we believe, concerns about both the U.S. Federal Reserve's withdrawal from the monthly asset purchase program, and slowing growth and heightened political tensions in certain emerging markets. The news that dominated headlines was Russia's military presence in, and eventual annexation of, Crimea, which was met with strong disapproval from the United States and other developed nations.

Alpha is a measure of the difference between a portfolio's actual and expected returns, given its level of risk as measured by beta. Beta is a measure of sensitivity to market movements. Standard deviation is a measure of portfolio risk.

Please note that the information herein represents the opinion of the portfolio managers and these opinions may change at any time and from time to time.

A review of alternative strategies during the period reveals that U.S.-focused long/short equity funds, as a group, were particularly challenged. The Market Vectors North America Long/Short Equity Hedge Fund Beta Index (MVLSNA) returned -0.61% in the first quarter, while the S&P 500 Index returned 1.80%. A review of the holdings of the MVLSNA Index reveals that the factors which explain the performance of long/short equity funds during the quarter have developed a bias towards the growth sectors within small-cap securities. In March, we experienced significant dispersion between the growth and value sectors, with the Russell 2000 Growth Index underperforming the Russell 2000 Value Index by -3.70%.

Strategy Review

The Investment Committee for the Fund continues to position the Fund's risk target toward the mid-point of its 4% to 6% annualized volatility range, while remaining well diversified across long/short equity, event driven, fixed income and global macro strategies. The most significant change in allocation during the quarter was a reduction in that to SW Asset Management ("SW") (5.09% of Fund net assets*), based on our internal risk management discipline and higher conviction in other strategies at this point in the market cycle. We also liquidated our position in a structured note that provided exposure to the Deutsche Bank Equity Mean Reversion Index and the ProVol Index. The proceeds from the reduction in our allocation to SW and the liquidation of the structured note were redistributed across other fixed income, long/short equity and event-driven strategies.

The Fund's aggregate allocation to long/short equity strategies returned 2.98% and outperformed the MVLSNA Index, which returned -0.61%. The largest contributor to performance within the strategy, and for the Fund, was the sub-advisor Coe Capital ("Coe") (11.41% of Fund net assets*), with a return of 5.35%. Coe benefited from stock selection within the industrial and energy sectors. The largest detractor within the long/short equity category was RiverPark (11.35% of Fund net assets*) with a return of -0.90%. RiverPark's negative performance during the period was mostly due to short positions in the technology sector.

The Investment Committee has maintained a modest allocation to global macro strategies because of the perceived long-term diversification and total return benefits. However, because of the negative impact that global monetary stimuli appears to have had on them, the allocation to global macro strategies has remained underweight relative to the other strategies.

The Fund's allocation to global macro strategies returned -5.96% compared with the HRFX Macro Index, which returned -0.97%. As of the end of the quarter, our only significant holding within macro was the AQR Managed Futures Fund ("AQR") (10.41% of Fund net assets*), which returned -6.09%. The AQR strategy has recently been positioned net long global equities and sovereign fixed income. Since we experienced rapid trend reversals, AQR, as a trend-following strategy, remained vulnerable during the quarter.

The Fund's aggregate allocation to event-driven strategies returned 1.79% compared to a return of 2.81% for the HRFX Event Driven Index. Within event-driven, our allocation to Tiburon Capital ("Tiburon") (14.18% of Fund net assets*) generated a return of 1.97%. Tiburon benefited from holdings within the fixed income, energy, and telecommunication sectors. The largest detractors for Tiburon were equity holdings in the consumer discretionary sector and long put option contracts on small-cap equities.

Within its allocation to fixed income, the Investment Committee continues to position the Fund toward differentiated sources of yield, because of what we believe to be an unfavorable risk-to-reward ratio for many fixed income investments. Global monetary policy intervention across the developed world has seemingly resulted in low yields, and the potential for significant losses when interest rates eventually normalize.

The Fund's aggregate allocation to fixed income biased strategies returned -4.34%, relative to a return of 2.41% for the HFRX Fixed Income Credit Index. The loss within fixed income was due to a return of -10.18% from SW. The negative returns for SW were primarily due to both a position in Tristan Oil Ltd., which traded down based on the terms of an arbitration agreement with the Republic of Kazakhstan, and the surprise devaluation of the Argentinian peso.

The Fund's tactical component, which is utilized by the Investment Committee as a tool to seek to generate alpha and manage portfolio risk, returned 0.36%.

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***All weightings as of March 31, 2014.**

All indices listed are unmanaged indices and do not reflect the payment of transaction costs, advisory fees or expenses that are associated with an investment in the Fund. An index's performance is not illustrative of the Fund's performance. Indices are not securities in which investments can be made. The HFRX Global Hedge Fund Index (HFRXGL) is designed to be representative of the overall composition of the hedge fund universe, and includes convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage strategies. The S&P® 500 Index consists of 500 widely held common stocks covering industrial, utility, financial and transportation sectors. HFRX Macro Index is a hedge fund benchmark on strategies that include long/short positions in equity, fixed income, currency and future markets based on a top down analysis on a broader view of the world economy. Commodity Trading Advisors ("CTAs") is an asset manager or firm that advises on trades in futures contracts, commodity options and/or swaps. HFRX Equity Hedged Index is a hedge fund benchmark representative of the overall composition of the hedge fund universe. HFRX Equity Hedge: Short Bias Index is a hedge fund benchmark on strategies that are predominately net short over-valued companies. HFRX Event Driven Index is a hedge fund benchmark on strategies that trade in various corporate transactions that include mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance or other capital structure adjustments. HFRX Fixed Income Credit Index is a hedge fund benchmark on strategies that utilizes a broad continuum of credit sub-strategies, including corporate, sovereign, distressed, convertible, asset backed, capital structure arbitrage and other relative value and event driven sub-strategies to realize the spreads of various related credit instruments. The HFRI Fund Weighted Composite (WC) Index is a global, equal-weighted index of over 2,000 single-manager funds that report to HFR Database. Constituent funds report monthly net of all fees performance in US Dollar and have a minimum of \$50 Million under management or a twelve (12) month track record of active performance. The HFRI Fund Weighted Composite Index does not include Funds of Hedge Funds. The Barclays Aggregate Bond Index is composed of the mortgage-backed and asset-backed securities and government/credit bonds.

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You can lose money by investing in the Fund. Any investment in the Fund should be part of an overall investment program rather than a complete program. Because the Fund implements a fund-of-funds strategy, an investor in the Fund will bear the operating expenses of the "Underlying Funds" in which the Fund invests. The total expenses borne by an investor in the Fund will be higher than if the investor invested directly in the Underlying Funds, and the returns may therefore be lower. The Fund, the Sub-Advisers and the Underlying Funds may use aggressive investment strategies, including absolute return strategies, which are riskier than those used by typical mutual funds. If the Fund and Sub-Advisers are unsuccessful in applying these investment strategies, the Fund and you may lose more money than if you had invested in another fund that did not invest aggressively. The Fund is subject to risks associated with the Sub-Advisers making trading decisions independently, investing in other investment companies, using a particular style or set of styles, basing investment decisions on historical relationships and correlations, trading frequently, using leverage, making short sales, being non-diversified and investing in securities with low correlation to the market. The use of leverage may magnify losses. The Fund is also subject to risks associated with investments in foreign markets, emerging market securities, small cap companies, debt securities, derivatives, commodity-linked instruments, illiquid securities, asset-backed securities and CMOs. **Please see the prospectus and summary prospectus for information on these as well as other risk considerations.**

The performance shown represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance information shown. The investment return and principal value of an investment in the Fund will fluctuate as the prices of the individual securities in which it invests fluctuate, so that shares, when redeemed, may be worth more or less than their original cost.

Investors should consider the Fund's investment objective, risks, and charges and expenses carefully before investing. Bonds and bond funds will decrease in value as interest rates rise. The prospectus and summary prospectus contain this and other information. Please read them carefully before investing. Please call 800.826.2333 or visit vaneck.com for performance information current to the most recent month end and for a free prospectus and summary prospectus. Bonds and bond funds will decrease in value as interest rates rise.

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