VanEck FUNDS

Fundamentals Overshadowed by Market Volatility

By Shawn Reynolds, Portfolio Manager

VanEck Global Hard Assets Fund

GHAAX / GHACX / GHAIX / GHAYX

Performance Review

During the quarter, the Global Hard Assets Fund (the "Fund") Class A shares returned -5.51% (excluding sales charge). On a relative basis, the Fund outperformed its natural resource equities-based benchmark, the Standard & Poor's® (S&P) North American Natural Resources Sector Index (SPGINRTR), which returned -6.04% over the same period.

Average Annual Total Returns (%) as of March 31, 2018

	1Q18†	1 Yr	5 Yr	10 Yr
Class A: NAV (Inception 11/2/94)	-5.51	-3.54	-5.05	-3.11
Class A: Maximum 5.75% load	-10.95	-9.09	-6.17	-3.68
SPGINRTR Index[1]	-6.04	-0.66	-1.56	-0.35
M2WDCOMP Index[2]	-2.71	12.89	0.13	-1.27
SPGNRUN Index[3]	-1.65	17.21	2.46	0.39
SPGSCITR Index[4]	2.19	13.83	-11.88	-10.82

Expenses: Class A: Gross 1.50%; Net 1.38%. Expenses are capped contractually until 05/01/18 at 1.38% for Class A. Caps exclude certain expenses, such as interest.

Market Review

The broad trends that impacted global capital markets in the first quarter of 2018, primarily higher volatility fueled by uncertainly around the direction of U.S. economic policy, had a direct effect on the commodities and natural resources markets.

While most commodity prices were up on the quarter, equity market volatility caused many natural resource equities to underperform their respective commodity counterparts. For example, WTI crude oil, gold, and agriculture commodities were up approximately 7.5%, 1.7%, and 3.2%, respectively, during the quarter while energy, gold mining, and agriculture stocks were down approximately 5.9%, 5.5%, and 0.6%, respectively. The exception during the quarter was diversified metals and mining where, though collectively down around 4%, stocks outperformed absent support from underlying base and industrial metals prices, which were down approximately 6.2% on concerns over a global trade war.*

†Quarterly returns are not annualized.

*Agriculture and base and industrial metals prices represented by the Bloomberg Agriculture and Bloomberg Industrial Metals Total Return subindices, respectively. Energy, gold mining, agriculture, and diversified metals and mining stocks represented by the Energy Select Sector Index, NYSE Arca Gold Miners Index, MVIS Global Agribusiness Index, and MSCI ACWI Select Metals & Mining Producers ex. Gold & Silver Index, respectively. Please refer to index descriptions on the last page.

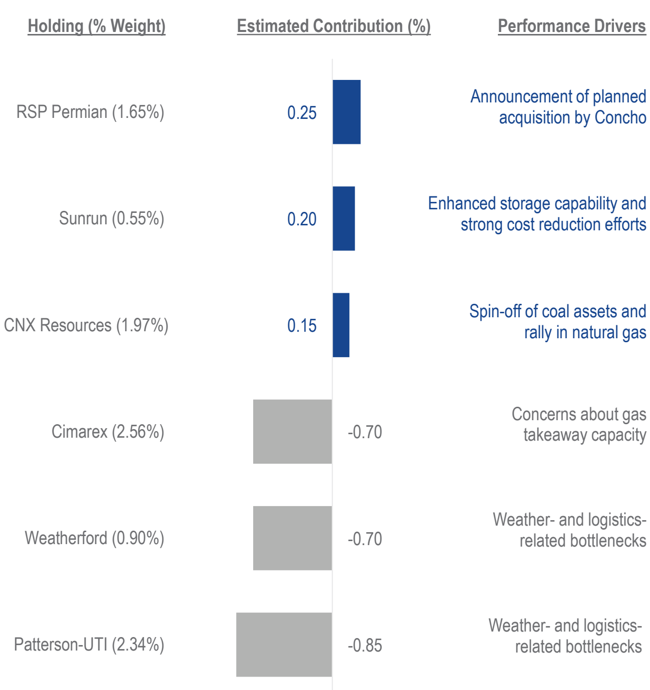
The table presents past performance which is no guarantee of future results and which may be lower or higher than current performance. Returns reflect applicable fee waivers and/or expense reimbursements. Had the Fund incurred all expenses and fees, investment returns would have been reduced. Investment 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 Net Asset Value (NAV). Index returns assume that dividends from index constituents have been reinvested.

Investing involves risk, including possible loss of principal; please see disclaimers on the last page. Please call 800.826.2333 or visit vaneck.com for performance current to the most recent month end.

What may be lost or misunderstood for many investors during the current environment is the fact that commodity fundamentals and supportive trends remained intact during the quarter:

- Despite expanding U.S. onshore supply, global oil markets were stable with inventories continuing to fall and demand remaining firm.
- Fed rate hiking risks, and the potential for further weakening in the U.S. dollar, helped establish a positive trend in gold prices.
- For the calendar year of 2017, total earnings by diversified metals and mining companies nearly tripled that of 2016 highlighting the commitment to the return of capital to shareholders.
- Water shortages in Argentina and drought in Kansas pushed up soymeal and wheat prices and, late in the quarter, the U.S. Department of Agriculture acreage report indicated significantly lower corn and soy planting than expected.

Top Quarterly Contributors/Detractors



Source: FactSet; VanEck. Data as of March 31, 2018. Contribution figures are gross of fees, non-transaction based and therefore estimates only. Figures may not correspond with published performance information based on NAV per share. Past performance is not indicative of future results. Portfolio holdings may change over time. These are not recommendations to buy or sell any security.

Outlook

At the peak of capital expenditure reduction efforts in the metals and mining industry, companies and investors became highly critical of how production and operational capital—or "growth capital"—was being employed. Shareholders demanded that excess cash be returned via dividends and/or used to reduce debt so that companies could operate more efficiently, rather than be spent on further expansionary efforts. Simultaneously, as economies began conceptualizing future demand growth, and given the advent of clean energy technologies such as electric vehicles, the need for more metals such as copper, nickel, graphite, and cobalt became abundantly clear. Eventually this created, what we believe to be, an ideal environment for these companies: relatively balanced supply/demand fundamentals, sustainable commodity prices, low costs structures, high cash flow, and the desire of most companies to return capital to shareholders.

For the last year, we have been examining how such a reform process, when applied to the U.S. energy market, has the potential to transform that industry too. We noted last quarter how energy companies, especially those in unconventional oil and gas exploration and production, are increasingly under the microscopes of investors after years of heavy investment in acreage and infrastructure build out. Exploration and production (E&P) companies are now transitioning from "investment" to "harvest" mode, with mature, cash-flow heavy business enabling dividends and share repurchases, and participating only in rational, accretive acquisitions. At the end of the quarter, two of our U.S. unconventional energy holdings with operations focused in the Permian Basin announced an $8 billion M&A deal, the largest in the "patch" since 2012. The transaction should result not only in some very important economies of scale and efficiencies for both the parties involved, but also improve crude fundamentals as fewer players should lead to better discipline.

All this being said, and while we believe the industries we follow are in the best fundamental shape that they have seen in years, fundamentals can be, and often are, overlooked in declining equity markets. The divergence in performance between commodities and natural resource equities seen in the last quarter—and, to some extent, most of the last four quarters—highlights the impact that broad equity market risk can have on the space. That is why our investment philosophy has been, and continues to be, to look for long-term growth. Positioning our portfolio for the future, and not just reacting to current circumstances, is of paramount importance and our focus remains on companies that can navigate both commodity and equity price volatility and help grow sustainable net asset value.

All company, sector, and sub-industry weightings as of March 31, 2018 unless otherwise noted.

All indices listed are unmanaged indices and include the reinvestment of dividends, but 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. [1]The S&P North American Natural Resources Sector Index (SPGINRTR) includes mining, energy, paper and forest products, and plantation-owning companies. [2]The MSCI ACWI Commodity Producers Index (M2WDCOMP) is a free float-adjusted market capitalization index designed to reflect the performance of listed commodity producers across three industry (or sub-industry) categories as defined by the Global Industry Classification Standard: energy, metals, and agriculture. [3]The S&P Global Natural Resources Index (SPGNRUN) includes the largest publicly traded companies in natural resources and commodities businesses that meet specific investability requirements, offering investors diversified and investable equity exposure across three primary commodity-related sectors: agribusiness, energy, and metals and mining. [4]The S&P Goldman Sachs Commodity Index (SPGSCITR) is a composite index of commodity sector returns, representing an unleveraged, long-only investment in commodity futures. The Bloomberg Agriculture Subindex, a subindex of the Bloomberg Commodity Index, reflects the return of underlying commodity futures prices movements in coffee, corn, cotton, soybeans, soybean oil, soybean meal, sugar, and wheat. The Bloomberg Industrial Metals Subindex, a subindex of the Bloomberg Commodity Index, reflects the return of underlying commodity future price movements in aluminum, copper, nickel, and zinc. The Energy Select Sector Index seeks to provide an effective representation of the energy sector of the S&P 500, offering precise exposure to companies in the oil, gas and consumable fuel, energy equipment and services industries. The NYSE Arca Gold Miners Index is a modified market capitalization weighted index comprised of publicly traded companies primarily involved in the mining of gold and silver in locations around the world. The MVIS® Global Agribusiness Index intends to track the overall performance of companies involved in agri-chemicals, animal health and fertilizers, seeds and traits, from farm/irrigation equipment and farm machinery, aquaculture and fishing, livestock, cultivation and plantations (including grain, oil palms, sugar cane, tobacco leafs, grapevines, etc.), and trading of agricultural products. The MSCI ACWI Select Metals & Mining Producers ex. Gold & Silver Index aims to focus on companies in the industrial and rare earth metals (excluding gold and silver) that are highly sensitive to underlying prices of industrial and rare earth metals. The index includes companies that are primarily engaged in the production or extraction of metals and minerals, in the mining of precious metals excluding gold and silver (e.g. platinum), or in the production of aluminum or steel.

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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, not a complete program. The Fund is subject to risks associated with concentrating its investments in hard assets and the hard assets sector, including, precious metals and natural resources, and can be significantly affected by events relating to these industries, including international political and economic developments, inflation, and other factors. The Fund's portfolio securities may experience substantial price fluctuations as a result of these factors, and may move independently of the trends of industrialized companies. The Fund's investments in foreign securities involve risks related to adverse political and economic developments unique to a country or a region, currency fluctuations or controls, and the possibility of arbitrary action by foreign governments, including the takeover of property without adequate compensation or imposition of prohibitive taxation. The Fund is also subject to inflation risk, short-sales risk, market risk, non-diversification risk, leverage risk, credit risk, and counterparty risk. Please see the prospectus and summary prospectus for information on these and other risk considerations.

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. An investor should consider the Fund's investment objective, risks, charges and expenses carefully before investing. The prospectus and summary prospectus contain this as well as other information. Please read them carefully before investing.

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