VanEck FUNDS

Time to Play Defense

VanEck NDR Managed Allocation Fund Review

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NDRMX / NDRUX / NDRYX

Weight-of-the-Evidence Summary

Weight-of-the-evidence turns bearish on stocks

- Macroeconomic and fundamental indicators are mostly bearish. Defensive sector leadership, slowing economic growth, and stretched valuations are all risk factors. Global monetary policies are tightening, but remain accommodative relative to historical levels.
- The technical indicator composite changed from bullish to neutral. Bearish indicators include negative price momentum and weak global market breadth.
- Investor sentiment indicators suggest that prices may fall further. Global investor sentiment has been bleak since late last year and now, U.S. sentiment has recently fallen from a state of extreme optimism. This may be another warning signal that prices have further to fall.
- While bond technical indicators are bearish, strong macroeconomic and fundamental factors remain supportive of fixed income over cash.

Performance and Positioning

- In October, the VanEck NDR Managed Allocation Fund (the "Fund") returned -6.29% versus -4.80% for its 60% global stocks (MSCI All Country World Index) and 40% bonds (Bloomberg Barclays US Aggregate Bond Index) benchmark.*

- Global stocks and U.S. bonds returned -7.49% and -0.79%, respectively.[2] The Fund's 18% overweight exposure to stocks led to underperformance. The stock market selloff was broad. All of the major equity regions were down similarly. Therefore, the Fund's overweight exposure to U.S. stocks provided minimal downside protection. Within the U.S., there was a notable difference in performance between both value and growth, and large-cap and small-cap equities. Value (Russell 3000 Value Index) outperformed growth (Russell 3000 Growth Index) by 3.77% and large-cap (Russell 1000 Index) outperformed small-cap (Russell 2000 Index)by 3.78%.[2] The Fund held a meaningful overweight exposure to large-cap, and that allocation was split evenly between value and growth.
- The Fund reacted to the heightened risk regime by significantly reducing its equity exposure for November. The global equity allocation was reduced from 78% to 40%, bonds were increased from 20% to 58%, and cash remains around 2%. The Fund still prefers the U.S. over the other equity regions, and within the U.S., large-cap over small-cap stocks.

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

	1 Mo†	YTD†	1 Year	Since Inception
Class A: NAV (Inception 5/11/16)	-6.29	-5.49	-3.54	5.65
Class A: Maximum 5.75% load	-11.67	-10.93	-9.10	3.15
60% MSCI ACWI/ 40% Bloomberg Barclays US Agg.	-4.80	-2.92	-0.67	6.54
Morningstar Tactical Allocation Category (average)[1]	-5.52	-4.13	-1.95	5.43

Average Annual Total Returns (%) as of September 30, 2018

	1 Mo†	YTD†	1 Year	Since Inception
Class A: NAV (Inception 5/11/16)	-0.10	0.85	4.90	8.77
Class A: Maximum 5.75% load	-5.86	-4.95	-1.12	6.12
60% MSCI ACWI/ 40% Bloomberg Barclays US Agg.	0.03	1.97	5.68	9.02
Morningstar Tactical Allocation Category (average)[1]	-0.25	1.76	5.57	8.01

†Returns less than a year are not annualized.

Expenses: Class A: Gross 2.33%; Net 1.39%. Expenses are capped contractually until 05/01/19 at 1.15% for Class A. Caps excluding acquired fund fees and expenses, interest, trading, dividends, and interest payment of securities sold short, taxes, and extraordinary expenses.

The tables present 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). An index's performance is not illustrative of the Fund's performance. Indices are not securities in which investments can be made. Index returns assume that dividends of the Index constituents in the Index have been reinvested.

*All weighting comparisons are relative to the blended benchmark (60% MSCI ACWI/ 40% Bloomberg Barclays US Agg.) or neutral allocation. This represents the starting allocation point absent an alternative recommendation once the model takes into consideration the indicators that yield the global tactical allocation model.

Weight-of-the-Evidence

The Fund's recent shift from moderately bullish to bearish is notable for a couple of reasons. Firstly, this marks the first time the Fund has become bearish since launching in May of 2016. Secondly, this demonstrates how quickly the Fund can turn bearish, reducing exposure from 78% to 40%, once the evidence changes. The goal of this Fund is to participate in the upside, and just as importantly, protect against severe market corrections. It protects by measuring market risks using its objective, data-driven indicators, and adjusting its allocations based on that risk assessment. Right now, a plethora of evidence from the indicators points to lower stock prices. These include negative stock price momentum and market breadth, defensive sector leadership, changing investor sentiment, and continued global economic weakness and stretched valuations.

Tim Hayes, Chief Global Investment Strategist at Ned Davis Research, recently used the below chart to provide context to the newly established underweight positon. It uses history to highlight some interesting statistics. Foremost, market dips of 5% to 9% occur often. This is typical stock market volatility. However, corrections of 10% or more are infrequent. Market dips have historically progressed to moderate corrections (10% decline or more) only 27% of the time. But the math changes significantly as the drawdown intensifies. Historically, moderate corrections have advanced to severe corrections (15% decline or more) 55% of the time, and severe corrections have advanced to bear markets (20% decline or more) 65% of the time. As of the end of October, global stocks were down just over 10% from the peak reached in late January.

As Drawdown Intensifies, Chance of Severe Market Loss Increases

ANATOMY OF DECLINES IN MSCI WORLD INDEX (12/31/1969 to 10/31/2018)

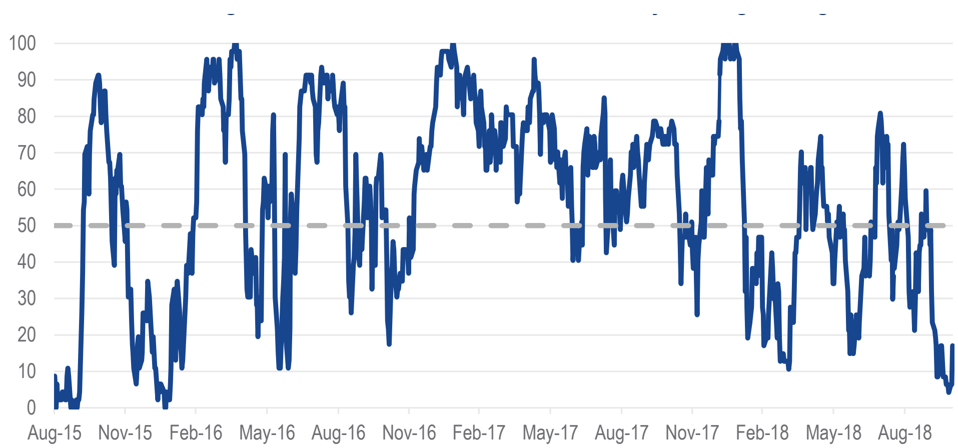
	Dip (5% decline or more)	**Moderate Correction** (10% decline or more)	**Severe Correction** (15% decline or more)	**Bear Market** (20% decline or more)
Number of Occurences	114	31	17	11
Mean Number of Occurrences Per Year	2.3	0.6	0.3	0.2
Mean Decline(%)	10	19	26	31
Chances of Decline Moving to Next Stage(%)*	27	55	65	N/A

** = e.g. The chance of a 10% decline turning into a 15% decline, etc. N/A = Not Applicable*

Source: MSCI; Ned Davis Research. Data as of October 31, 2018. Past performance is no guarantee of future results. Chart is for illustrative purposes only.

What's interesting is that U.S. stocks are just joining the correction party that international developed and emerging markets stocks have been at for most of this year. Year-to-date, the U.S. market (Russell 3000 Index) is up 2.43%.[2] By comparison, international (MSCI EAFE Index) and emerging markets (MSCI Emerging Markets Index) are down 8.86% and 15.45%, respectively.[2] This risk is being measured in the model by a global breadth indicator. It measures market participation through the technical strength or weakness of individual countries. Global market indices typically trade poorly when country breadth is weak. As you can see from the chart below, only 17% of countries are trading above their intermediate-term levels. A bearish sign indeed.

With U.S. Correcting Now, Only Small Number of Countries Demonstrating Technical Strength
Percentage of MSCI ACWI Countries above 50-day Moving Average



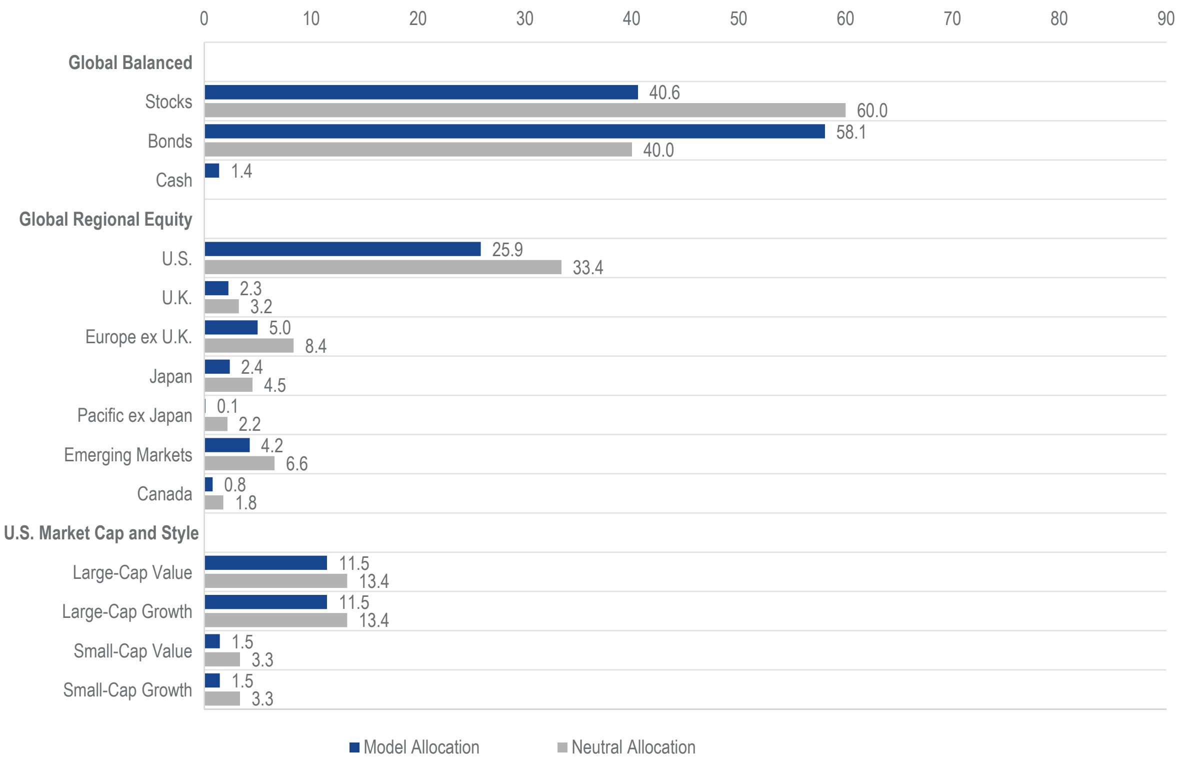
Source: Ned Davis Research. Data as of October 31, 2018. Past performance is no guarantee of future results. Chart is for illustrative purposes only.

Over the past few months we have been actively explaining this risk to investors. Weak market breadth was evident not only at the country level, but also within certain sectors and stocks in the U.S. As Tim Hayes points out in his research, we can expect the correction in the U.S. markets to have a disproportionate effect on global stocks given that the U.S. accounts for approximately 57% of the world market. As always, we remain loyal to the indicators and will adjust exposures as the data changes. In the meantime, we will remain defensive until the risk abates.

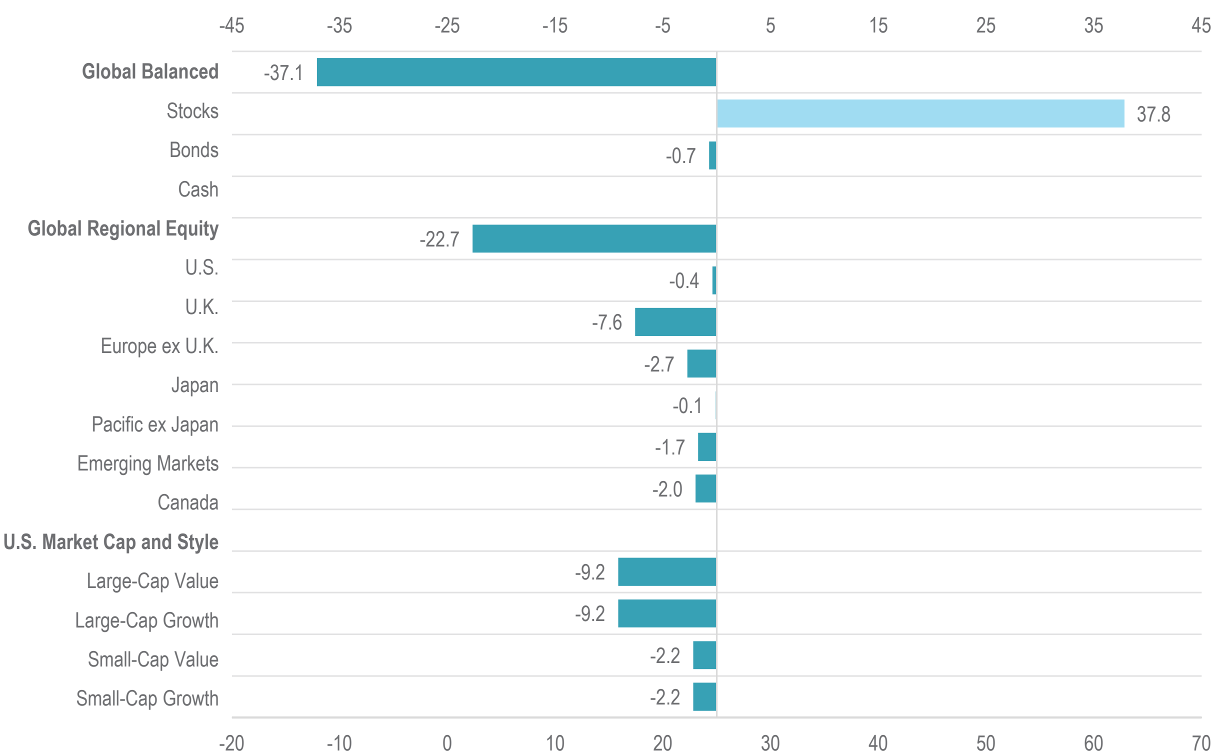
NDR Indicator Summary, November 2018

	Macro/Fundamental	Technical	Overall
Stocks, Bonds, or Cash			
Stocks (vs. Bonds)	Bearish	Neutral	Bearish
Bonds (vs. Cash)	Neutral	Bearish	Neutral
Global Regional Equity			
U.S.	Neutral	Bullish	Bullish
Canada	Bullish	Bearish	Bearish
U.K.	Neutral	Neutral	Neutral
Europe ex. U.K.	Bearish	Bullish	Bearish
Japan	Bearish	Neutral	Neutral
Pacific ex. Japan	Bearish	Bearish	Bearish
Emerging Markets	Bearish	Neutral	Neutral
U.S. Cap & Style			
Large-Cap	Bullish	Bullish	Bullish
Small-Cap	Bearish	Bearish	Bearish
Growth	Neutral	Neutral	Neutral
Value	Neutral	Neutral	Neutral

Asset Class Positioning vs. Neutral Allocation, November 2018



Asset Class Positioning Changes, November 2018 vs. October 2018



The neutral allocation, which is provided by Ned Davis Research, Inc., represents the starting point of the Fund's model absent an alternative recommendation once the model takes into consideration the indicators that yield the global tactical allocation model. These are not recommendations to buy or sell any security.

[1]Morningstar category averages are equal-weighted category (total) returns. The calculation is the average of the total returns for all funds in a given category. The standard category average calculation is based on constituents of the category at the end of the period. Total return reflects performance without adjusting for sales charges or the effects of taxation, but is adjusted to reflect all actual ongoing fund expenses and assumes reinvestment of dividends and capital gains. If adjusted, sales charges would reduce the performance quoted.

The Morningstar Tactical Allocation category includes portfolios that seek to provide capital appreciation and income by actively shifting allocations across investments. These portfolios have material shifts across equity regions, and bond sectors on a frequent basis. To qualify for the tactical allocation category, the Fund must have minimum exposures of 10% in bonds and 20% in equity. Next, the Fund must historically demonstrate material shifts in sector or regional allocations either through a gradual shift over three years or through a series of material shifts on a quarterly basis. Within a three-year period, typically the average quarterly changes between equity regions and bond sectors exceeds 15% or the difference between the maximum and minimum exposure to a single equity region or bond sector exceeds 50%. As of September 30, 2018, the Fund ranked 141 out of 310 funds for the 1 month period; 168 out of 310 funds for the YTD period; 153 out of 308 funds for the 1 Year period; and 96 out of 293 funds since inception. As of October 31, 2018, the Fund ranked 184 out of 297 funds for the 1 month period; 205 out of 297 funds for the YTD period; 203 out of 296 funds for the 1 Year period; and 119 out of 280 funds since inception.

The Fund's benchmark is a blended unmanaged index created by the Van Eck Associates Corporation (the "Adviser") consisting of 60% MSCI All Country World Index (ACWI) and 40% Bloomberg Barclays US Aggregate Bond Index. The MSCI ACWI captures large- and mid-cap representation across 23 developed markets (DM) and 24 emerging markets (EM) countries and covers approximately 85% of the global investable equity opportunity set. The Bloomberg Barclays US Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. This includes treasuries, government-related and corporate securities, mortgage-backed securities, asset-backed securities and collateralized mortgage-backed securities.

[2]Global stocks are measured by the MSCI ACWI and U.S. bonds are measured by the Bloomberg Barclays US Aggregate Bond Index. Large-cap stocks are measured by the Russell 1000 Index, an index of the largest 1,000 companies in the Russell 3000 Index. The Russell 1000 Index comprises over 90% of the total market capitalization of all listed U.S. stocks. Small-cap stocks are measured by the Russell 2000 Index, an index which measures the performance of the smallest 2,000 companies within the Russell 3000 Index. Value stocks are measured by the Russell 3000 Value Index, a market-capitalization weighted equity index based on the Russell 3000 Index, which measures how U.S. stocks in the equity value segment perform. Included in the Russell 3000 Value Index are stocks from the Russell 3000 Index with lower price-to-book ratios and lower expected growth rates. Growth stocks are measured by the Russell 3000 Growth Index, a market capitalization weighted index based on the Russell 3000 Index. The Russell 3000 Growth Index includes companies that display signs of above average growth. Companies within the Russell 3000 Index that exhibit higher price-to-book and forecasted earnings are used to form the Russell 3000 Growth Index. U.S. stocks are measured by the Russell 3000 Index which is a capitalization-weighted stock market index that seeks to be a benchmark of the entire U.S stock market. It measures the performance of the 3,000 largest publicly held companies incorporated in America and is based on market capitalization. The MSCI Europe ex UK Index captures large and mid cap representation across 14 Developed Markets (DM) countries in Europe. The MSCI Canada Index is designed to measure the performance of the large and mid cap segments of the Canada market. The MSCI Pacific ex Japan Index captures large and mid cap representation across 4 of 5 developed markets (DM) countries in the Pacific region (excluding Japan). Emerging Market stock are measured by the MSCI Emerging Markets Index which captures large and mid cap representation across 24 Emerging Markets (EM) countries. The MSCI United Kingdom Index is designed to measure the performance of the large and mid cap segments of the UK market. The S&P 500® Index consists of 500 widely held common stocks, covering four broad sectors (industrials, utilities, financial and transportation). International stocks are measured by the MSCI EAFE wcaptures large and mid cap representation across 21 Developed Markets countries around the world, excluding the US and Canada.

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All indices are unmanaged and include the reinvestment of all dividends, but do not reflect the payment of transaction costs, advisory fees or expenses that are associated with an investment in the Fund. Certain indices may take into account withholding taxes. An index's performance is not illustrative of the Fund's performance. Indices are not securities in which investments can be made. Results reflect past performance and do not guarantee future results.

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 is a "fund-of-funds," an investor will indirectly bear the principal risks of the exchange-traded products in which it invests, including but not limited to, risks associated with cash and cash equivalents, debt securities, exchange traded products, exchange traded products' underlying investments, below investment grade securities, commodities and commodity-linked derivatives, commodities and commodity-linked derivatives tax, common stock, concentration, derivatives, emerging markets, investment style, small-, medium- and large-capitalization companies, market, model and data, operational, portfolio turnover and regulatory risks. The Fund will bear its share of the fees and expenses of the exchange-traded products. Consequently, an investment in the Fund entails more direct and indirect expenses than a direct investment in an exchange-traded product. Because the Fund invests in exchange-traded products, it is subject to additional risks that do not apply to conventional mutual funds, including the risks that the market price of an exchange-traded product's shares may be higher or lower than the value of its underlying assets, there may be a lack of liquidity in the shares of the exchange-traded product, or trading may be halted by the exchange on which they trade. Principal risks of investing in foreign securities include changes in currency rates, foreign taxation and differences in auditing and other financial standards. Debt securities may be subject to credit risk and interest rate risk. Investments in debt securities typically decrease in value when interest rates rise.

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.