

Minimize Volatility to Maximize the Benefits of Real Assets

Despite the potential benefits of real assets, which include inflation protection and participation in global growth, volatility remains a primary concern for many investors. The **VanEck Vectors Real Asset Allocation ETF** is designed to provide exposure to the valuable potential of real assets while seeking to reduce volatility through its unique approach to investing in real assets.

Data-driven, rules-based process with a key element of risk management embedded in each step

RAAX seeks to address key volatility considerations in each step of its process by evaluating: *first, what asset classes to invest in; second, when to get defensive by transitioning to cash; and lastly, how much to allocate among asset classes.* Decisions are made on a monthly basis using our rules-based, quantitative allocation process with the responsiveness to quickly adapt to changing market conditions.



Comprehensive, objective view to alleviate volatility of real asset classes

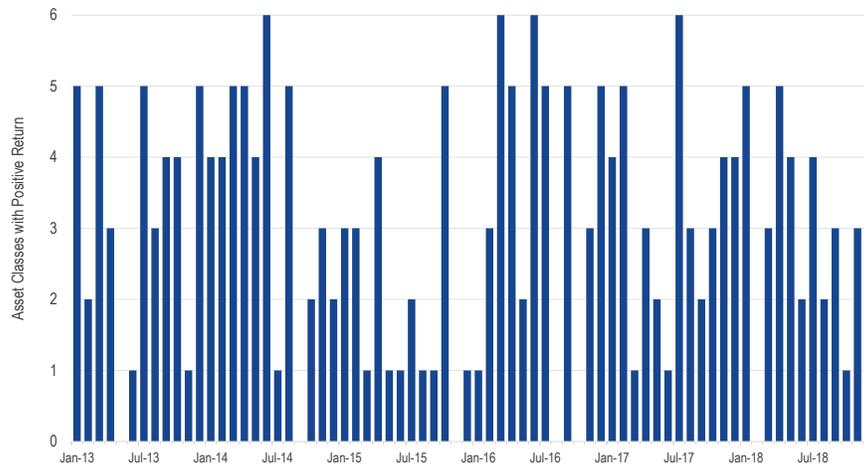
One of the challenges of real asset investing is that conditions can rapidly change, potentially impacting the short-term performance of an individual segment. RAAX addresses this dynamic by forming a responsive, comprehensive view using diverse, objective indicators. By assessing the indicators and eliminating exposure to declining real asset segments on a monthly basis, RAAX can reduce the impact of overall real asset volatility.

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Rarely do all areas of the real asset universe perform well simultaneously.

RAAX objectively identifies and monitors the unique drivers of real asset segments to reduce volatility and enhance returns.

Frequency of Positive Monthly Returns of Real Asset Classes (Jan. 2013 – Dec. 2018)
Commodities, Natural Resource Equities, REITs, MLPs, Infrastructure, and Gold¹



Source: FactSet, VanEck. Data as of December 31, 2018. Past performance is no guarantee of future results. Investors cannot invest directly in an index. See important disclosures, index descriptions, and definitions on last page. The bars in the chart above represent one month of returns for each of the listed asset classes. The lack of a bar indicates that there were no asset classes with positive returns for that given month.

Flexibility to allocate to cash to avoid impact of volatility

After determining the expected returns, RAAX then has the flexibility to allocate to cash.

As the number of bearish segments increases, RAAX can take a defensive positioning to reflect the appropriate level of risk-off conditions. Should conditions exist that indicate a pervasive bearish outlook across real assets broadly, RAAX can allocate to 100% cash to avoid widespread volatility.

Defensive Scenarios

Defense Level	Cash Positioning	Triggered When
Level 1	33%	Five bearish segments
Level 2	66%	Six bearish segments
Level 3	80%	Seven or more bearish and gold bullion bullish; 20% allocation to gold bullion
Level 4	100%	Seven or more (including gold bullion) bearish segments

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In addition to its defensive cash position, RAAX can also allocate to gold bullion when a majority of its asset classes (not including bullion itself) are expected to be bearish.

Why allocate to gold bullion? **Historically, gold bullion has proven to be a strong risk-off asset, demonstrating return potential when other areas of the broad market are under pressure.**

Enhanced diversification and reduced volatility by optimizing asset class weights

RAAX seeks to reduce volatility through its objective selection of asset classes, its ability to allocate to cash, and lastly, through an optimization process, which is used to assign portfolio weights. By looking at the short-term volatility and correlations between the asset classes RAAX is going to invest in, weights are assigned in order to maximize diversification and minimize volatility (measured by Sharpe Ratio). In general terms, this is accomplished by having larger allocations to less volatile asset classes.

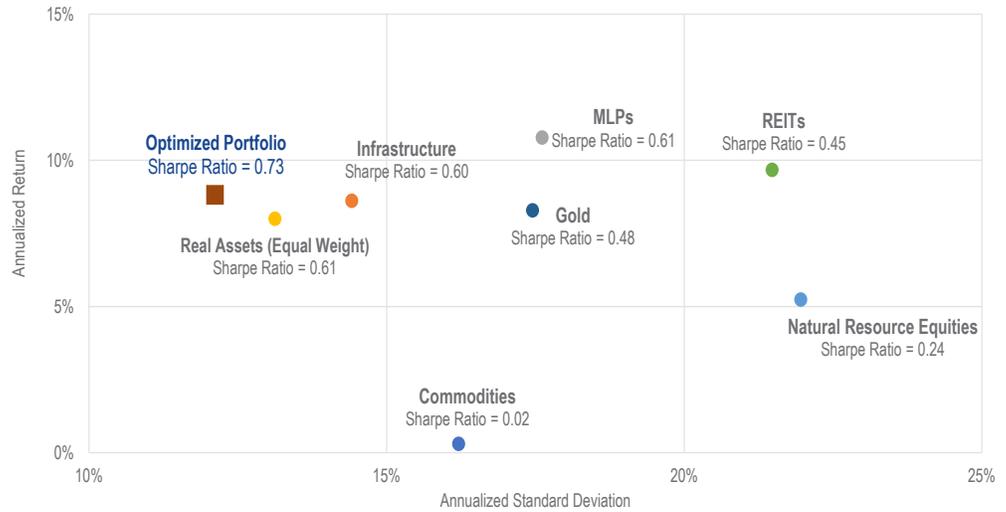
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RAAX analyzes the volatility and correlation of real asset classes to optimize portfolio weights monthly.

The optimization process seeks to reduce volatility relative to individual real asset sectors as well as a portfolio equally-weighted across these real assets.

Optimization produces portfolio with less volatility, improved risk/return profile²

Risk/return of real asset sectors and portfolios (March 2002 to December 2018)



Source: FactSet, VanEck. Data as of December 31, 2018. Past performance is no guarantee of future results. Investors cannot invest directly in an index. See important disclosures, index descriptions, and definitions on last page.

Summary

- Comprehensive exposure across commodities, natural resource equities, REITs, MLPs, and infrastructure
- Seeks to reduce volatility by responding to changing market environments including the ability to allocate 100% to cash
- Optimized allocation process provides exposure to segments with positive expected returns while managing overall portfolio risk and drawdowns

Fund Ticker	RAAX
Commencement Date	4/9/2018
Management Fee	0.50%
Gross Expense Ratio	0.81%
Net Expenses Ratio*	0.74%
Tactical Asset Classes	Agribusiness Equities, Coal Equities, Diversified Commodities, Infrastructure, Gold Bullion, Gold Equities, MLPs, Oil Service Equities, Steel Equities, REITs, Metals & Mining Equities, Unconventional Oil & Gas Equities
Allocation Rebalance	Monthly
Indicator Types	Technical, Commodity (Price), Macroeconomic/Fundamental, Sentiment

* Expenses for RAAX are capped contractually at 0.55% until February 1, 2020. Expenses are based on estimated amounts for the current fiscal year. Cap excludes certain expenses, such as interest, acquired fund fees and expenses, and trading expenses.

¹Natural Resource Equities are represented by the VanEck® Natural Resources Index; Commodities are represented by the Bloomberg Commodity Index; REITs are represented by the MSCI US REIT Index; Global Infrastructure is represented by the S&P Global Infrastructure Index; MLPs are represented by the Alerian MLP Index; and Gold is represented by the continuous futures contract of the gold price per troy ounce.

²Commodities are represented by the Bloomberg Commodity Index; Infrastructure is represented by the S&P Global Infrastructure Index; REITs are represented by Dow Jones Equity All REIT Index; MLPs are represented by the Alerian MLP Infrastructure Index; Natural Resource Equities are represented by the S&P North American Natural Resources Sector Index. The Equal Weight Portfolio is comprised of each of the asset classes above with equal allocations.

Correlation is a statistic that measures the degree to which two securities move in relation to each other. **Volatility** is the annualized standard deviation of monthly returns. **Sharpe ratio** is the return less the risk-free rate divided by the standard deviation and measures risk-adjusted return. **Maximum drawdown** is the largest negative change in fund value over a given period of time.

All indices listed are unmanaged indices 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 any fund. Certain indices may take into account withholding taxes. An index's performance is not illustrative of a fund's performance. Indices are not securities in which investments can be made. Indices were selected based on availability and access to data. The Alerian MLP Infrastructure Index, a composite of energy infrastructure Master Limited Partnerships (MLPs). The capped, float-adjusted, capitalization-weighted index, whose constituents earn the majority of their cash flow from midstream activities involving energy commodities. The Dow Jones Equity All REIT Index, designed to measure all publicly traded real estate investment trusts in the Dow Jones U.S. stock universe classified as equity REITs according to the S&P Dow Jones Indices REIT Industry Classification Hierarchy. The Bloomberg Commodity Index, a broadly diversified index that tracks the commodity markets through commodity futures contracts and is made up of exchange-traded futures on physical commodities, which are weighted to account for economic significance and market liquidity. The S&P® 500 Index, a float-adjusted, market-cap-weighted index of 500 leading U.S. companies from across all market sectors. The S&P® Global Infrastructure Index is designed to track 75 companies from around the world chosen to represent the listed infrastructure industry while maintaining liquidity and tradability. The S&P® Global Natural Resources Index, which includes 90 of the largest publicly traded companies in natural resources and commodities businesses that meet specific investability requirements across three primary commodity-related sectors: Agribusiness, Energy and Metals & Mining. The S&P® North American Natural Resources Sector Index, a modified capitalization-weighted index which includes companies involved in the following categories: extractive industries, energy companies, owners and operators of timber tracts, forestry services, producers of pulp and paper, and owners of plantations. The Real Assets Blended Index consists of an equally weighted blend of the returns of Bloomberg Commodity Index, S&P Real Assets Equity Index, and VanEck® Natural Resources Index. The S&P Real Assets Equity Index measures the performance of equity real return strategies that invest in listed global property, infrastructure, natural resources, and timber and forestry companies. The VanEck Natural Resources Index is a rules-based index intended to give investors a means of tracking the overall performance of a global universe of listed companies engaged in the production and distribution of commodities and commodity-related products and services. The MSCI US REIT Index is a free float-adjusted market capitalization index that is comprised of equity REITs and represents about 99% of the US REIT universe and securities are classified in the Equity REITs Industry (under the Real Estate sector) according to the Global Industry Classification Standard (GICS®). It however excludes Mortgage REIT and selected Specialized REITs. The NYSE Arca Gold Miners Index is a modified market capitalization-weighted index composed of publicly traded companies involved primarily in the mining for gold. The Index is calculated and maintained by the New York Stock Exchange.

An investment in the Fund may be subject to risks which include, among others, fund of funds risk which may subject the Fund to investing in commodities, gold, natural resources companies, MLPs, real estate sector, infrastructure, equities securities, small- and medium-capitalization companies, foreign securities, emerging market issuers, foreign currency, credit, high yield securities, interest rate, call and concentration risks, all of which may adversely affect the Fund. The Fund may also be subject to affiliated fund, U.S. Treasury Bills, subsidiary investment, commodity regulatory, tax, liquidity, gap, cash transactions, high portfolio turnover, model and data, management, operational, authorized participant concentration, absence of prior active market, trading issues, market, fund shares trading, premium/discount and liquidity of fund shares, and non-diversified risks. The Fund's assets may be concentrated in a particular sector and may be subject to more risk than investments in a diverse group of sectors.

Diversification does not assure a profit or protect against a loss. Any charts shown herein are for illustrative and informational purposes only.

Fund shares are not individually redeemable and will be issued and redeemed at their net asset value (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. You will incur brokerage expenses when trading Fund shares in the secondary market.

Investing involves substantial risk and high volatility, including possible loss of principal. Bonds and bond funds will decrease in value as interest rates rise. An investor should consider the investment objective, risks, charges and expenses of the 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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