

# Global Growth Pressures Weigh In



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Portfolio Manager

## VanEck NDR Managed Allocation Fund

NDRMX | NDRUX | NDRYX

### Overview

The VanEck NDR Managed Allocation Fund (the “Fund”) returned +0.32% based on net asset value versus +0.90% for its benchmark, 60% MSCI ACWI and 40% Bloomberg Barclays US Aggregate Bond. Year-to-date, the Fund has returned +9.49% versus +7.70% for its benchmark.

July was all about the new delta variant of COVID-19 and crackdowns on free markets in China. Overall, this caused a growth shock and a reversal in the reflation theme that has led markets higher over the past 12-months. The prospect of slower economic growth sent bond prices up and yields down. Growth stocks benefited from this because the valuations of growth stocks are more appealing when interest rates are lower. Additionally, during slower growth periods, these stocks, which have the potential to grow faster than GDP, are rewarded a scarcity premium. The evidence collected from the NDR model that drives this fund still point to the reflation trade being intact. However, this relative value signal has been declining which is why the size of the value overweight has been reduced in recent periods.

In China, the government has been aggressively interfering with its technology and education sectors. The markets have viewed these moves as a threat to capitalism and a reason to be very cautious of investing in China. This contributed to the MSCI Emerging Markets Index being down 6.69% in July. The Fund held only a modest overweight to this region leading into July, but has recently reduced its exposure in favor of domestic markets. While the model does not understand the causes leading to the stress in the Asian markets, it does understand that these markets are undergoing stress, through technical indicators. Therefore, the Fund reduced its exposure to the Emerging Markets by 3%.

### Average Annual Total Returns (%) as of July 31, 2021

	1 Mo <sup>†</sup>	YTD <sup>†</sup>	1 Yr	3 Yr	Since Inception
Class A: NAV (Inception 5/11/16)	0.32	9.49	22.50	6.66	7.64
Class A: Max 5.75% load	-5.45	3.19	15.46	4.59	6.43
60% MSCI ACWI/40% Bloomberg Barclays US Agg <sup>2</sup> .	0.90	7.70	19.04	11.20	10.41
Morningstar Tactical Allocation Category (average) <sup>3</sup>	0.76	10.08	22.05	8.23	8.19

### Average Annual Total Returns (%) as of June 30, 2021

	1 Mo <sup>†</sup>	YTD <sup>†</sup>	1 Yr	3 Yr	Since Inception
Class A: NAV (Inception 5/11/16)	0.41	9.14	25.18	7.14	7.71
Class A: Max 5.75% load	-5.36	2.86	17.98	5.05	6.47
60% MSCI ACWI/40% Bloomberg Barclays US Agg <sup>2</sup>	1.10	6.75	22.46	11.55	10.40
Morningstar Tactical Allocation Category (average) <sup>3</sup>	0.88	9.15	25.65	8.58	8.23

Source: VanEck. <sup>†</sup>Returns less than a year are not annualized.

**Expenses: Class A: Gross 2.02%; Net 1.31%.** Expenses are capped contractually until 05/01/22 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.

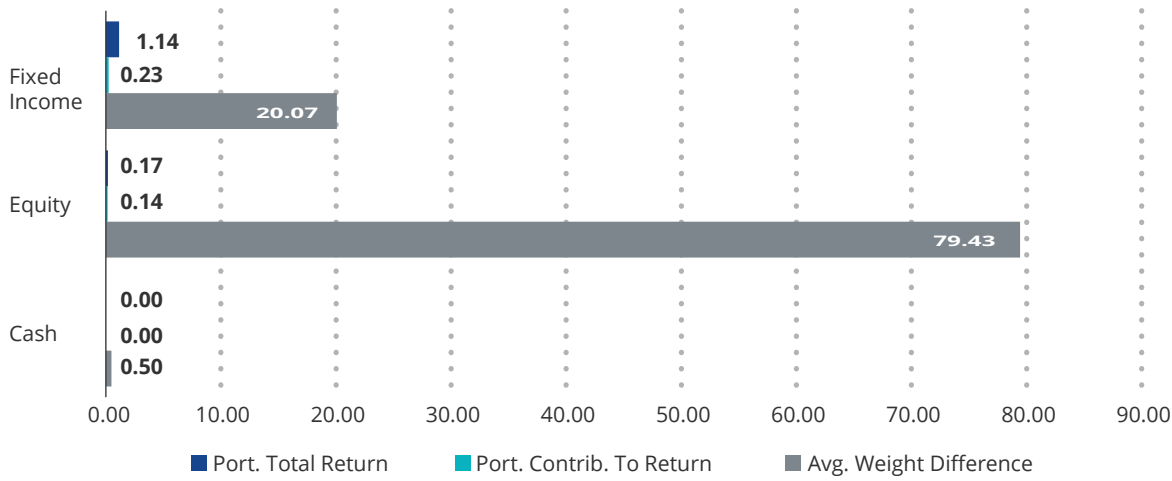
**The tables present past performance which is no guarantee of future results and which may be lower or higher than current performance. Returns reflect applicable fee waivers and/or expense reimbursements. Had the Fund incurred all expenses and fees, investment returns would have been reduced. Investment 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. Please call 800.826.2333 or visit vaneck.com for performance current to the most recent month ended.**

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. Please see additional information regarding benchmark and Morningstar category performance on last page.

## Performance

The current threats to global growth put downward pressure on both bond yields and stock prices in July. This was the primary reason for the Fund's underperformance. It was overweight stocks and underweight bonds by 20%, which detracted as its exposure to global stocks returned +0.17% and its exposure to bonds returned +1.14%.

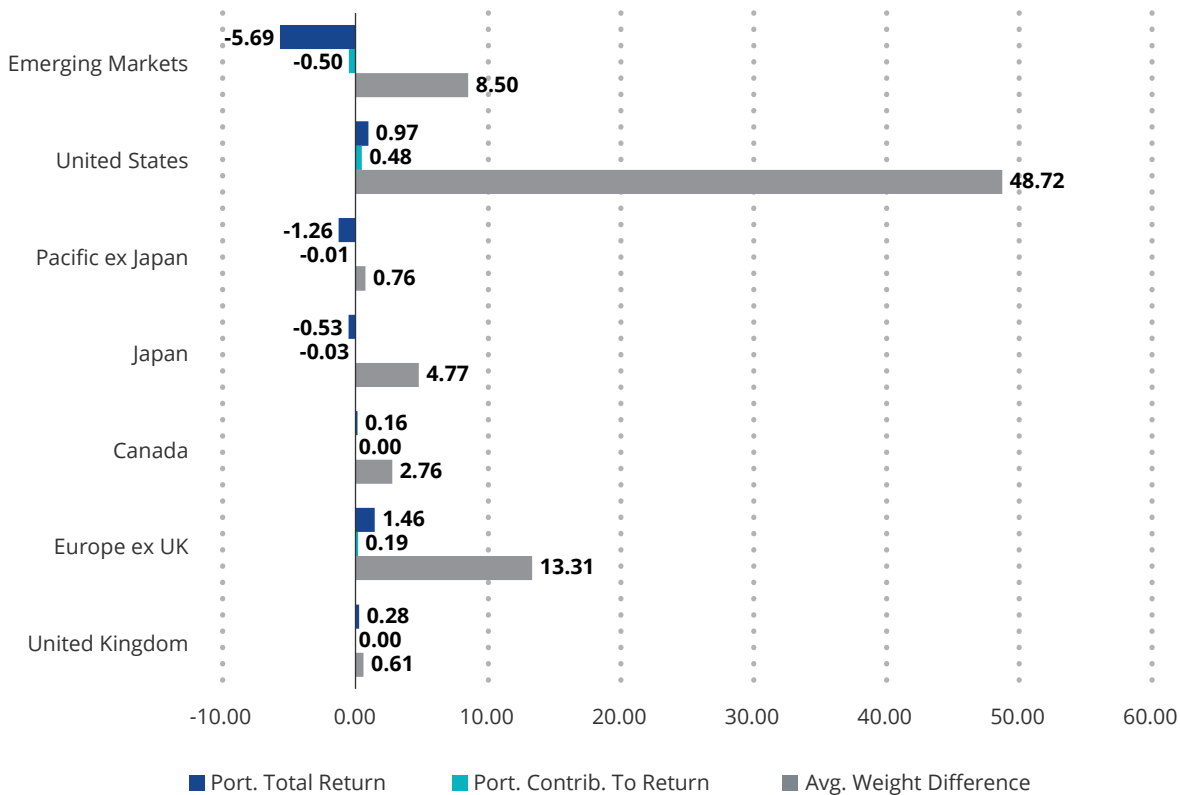
### Global Balanced Allocation: Fund vs. Neutral Allocation



Data as of July 31, 2021. Source: NDR, VanEck, FactSet. Past performance is no guarantee of future results. The neutral allocation is (60% MSCI ACWI/ 40% Bloomberg Barclays US Agg.). This represents the starting allocation point absent an alternative recommendation based on model indicators. These are not recommendations to buy or sell any security.

The Fund's regional equity positioning benefited from its large overweight exposures to the U.S. and Europe ex. U.K., which both returned +0.97% and +1.46%, respectively, and outperformed many of the other equity regions. However, the Fund's modest overweight exposure to the Emerging Markets, which returned -5.69%, detracted from performance.

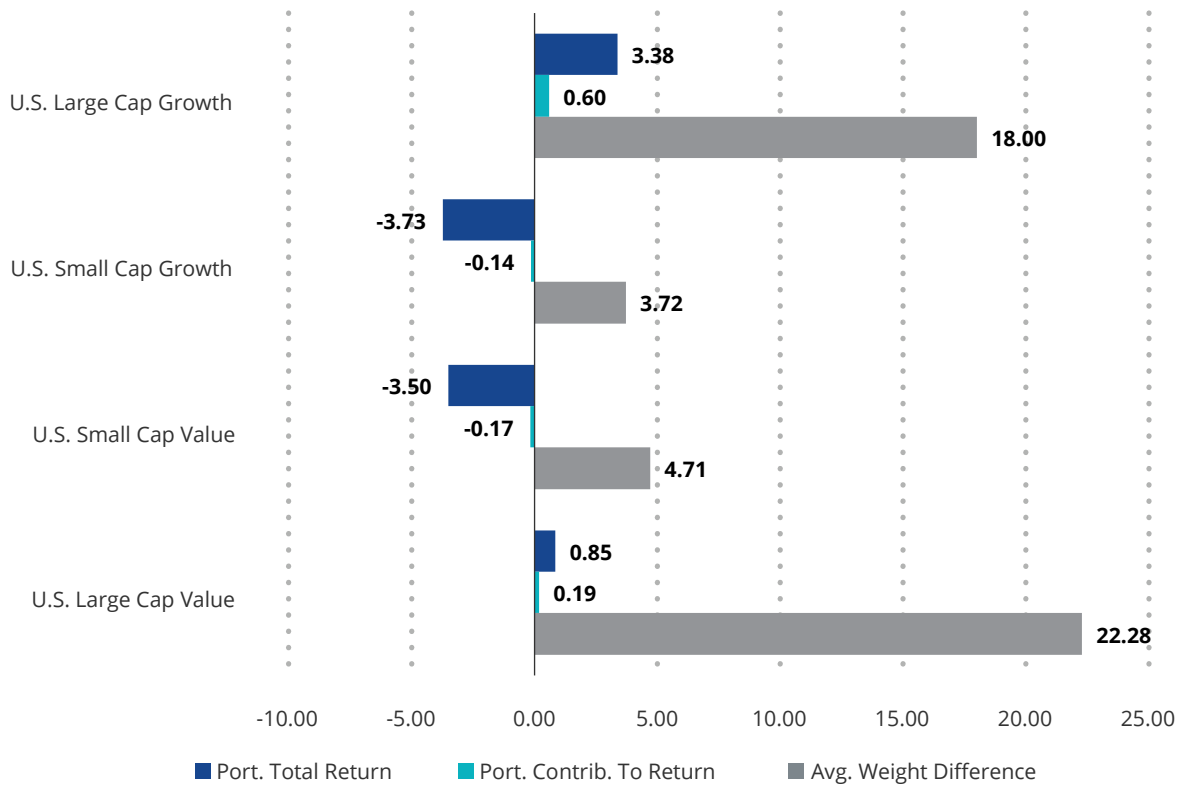
### Global Regional Equity Allocation: Fund vs. Neutral Allocation



Data as of July 31, 2021. Source: NDR, VanEck, FactSet. Past performance is no guarantee of future results. The neutral allocation is (60% MSCI ACWI/ 40% Bloomberg Barclays US Agg.). This represents the starting allocation point absent an alternative recommendation based on model indicators. These are not recommendations to buy or sell any security.

Within the U.S., the Fund was most overweight large-cap value and this detracted from performance as growth stocks benefited from the latest growth scare, which sent yields down and growth stocks up. The Fund was also overweight large-cap growth within the U.S., which helped, but to a much lesser extent than it was overweight value.

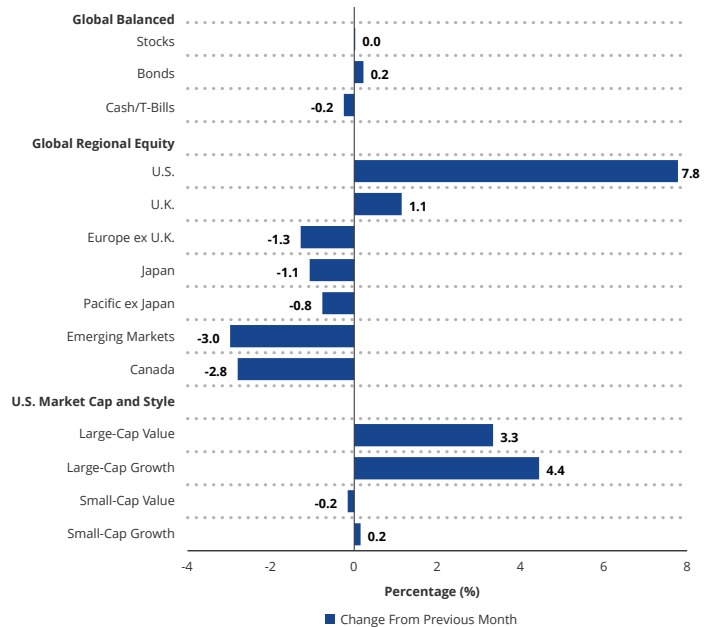
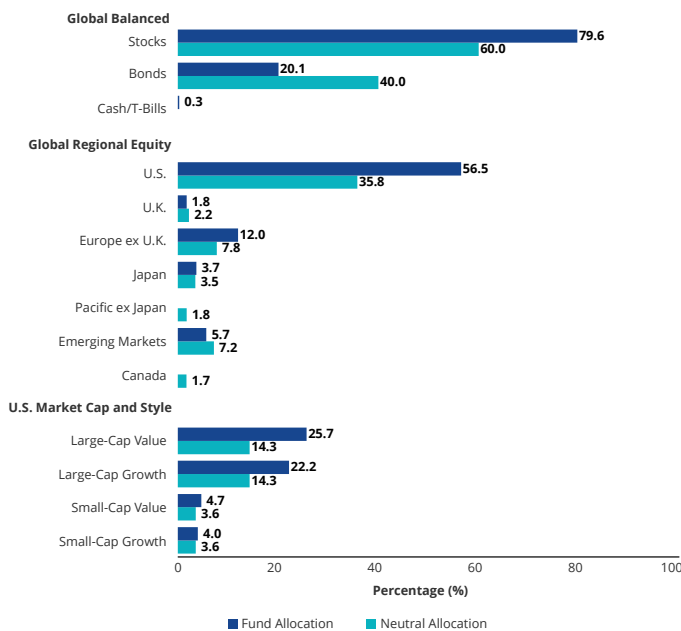
### U.S. Cap and Style Allocation: Fund vs. Neutral Allocation



Data as of July 31, 2021. Source: NDR, VanEck, FactSet. Past performance is no guarantee of future results. The neutral allocation is (60% MSCI ACWI/ 40% Bloomberg Barclays US Agg.). This represents the starting allocation point absent an alternative recommendation based on model indicators. These are not recommendations to buy or sell any security.

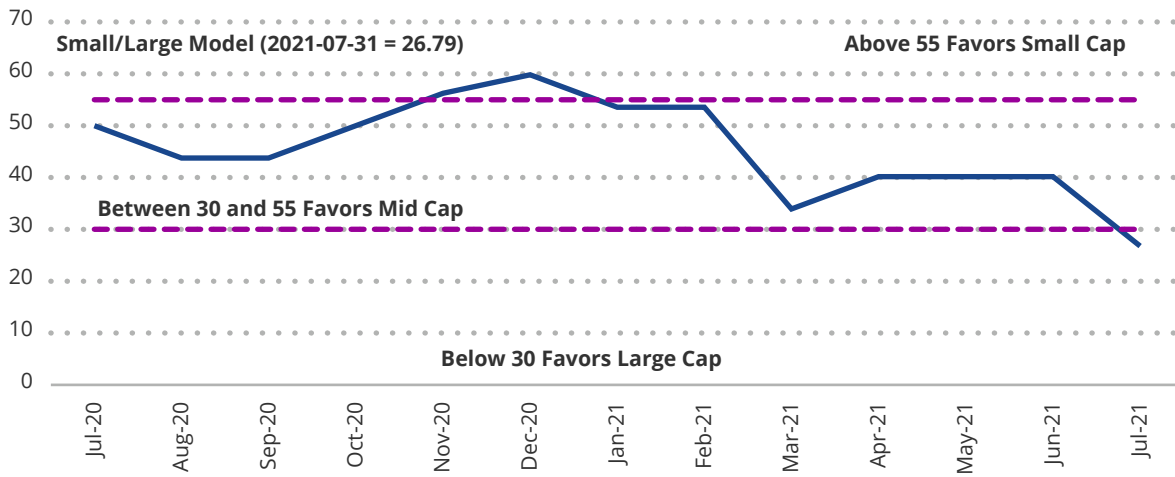
### Weight-of-the-Evidence

The charts below illustrate the Fund's positioning:



The chart below is the NDR U.S. Small/Mid/Large Model. The current score is 26.79, which declined from 40.18 last month. Scores above 55 favor small-cap, scores between 30 and 55 are mid-cap or neutral, and scores below 30 favor large-cap. The score declined due to near-term technical strength in large-caps relative to small-caps and the medium-term earnings favoring large-caps over small-cap stocks.

**NDR Small-/Large-Cap Model**



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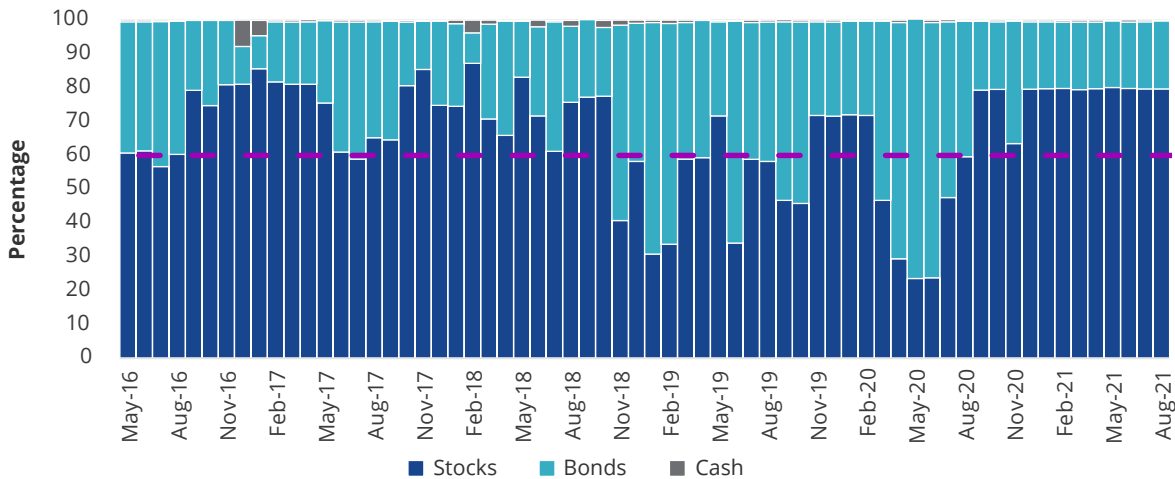
The Fund continues to overweight stocks to take advantage of the recovery, however, potential threats to global growth include: the delta variant of Covid-19, Chinese regulations and tensions with the US, and persisting inflationary pressures. The fund's adaptive model continues to monitor the markets for any signs of stress and will adjust exposures as needed.

## NDR Indicator Summary, August 2021

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

Source: Ned Davis Research. Data as of August 3, 2021.

## Allocations Since Inception



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<sup>1</sup> Source: VanEck, Bloomberg.

<sup>2</sup> 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 both developed and emerging markets 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.

<sup>3</sup> 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, a fund must have minimum exposures of 10% in bonds and 20% in equity. Next, a 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 June 30, 2021, the Fund ranked 166 out of 247 funds for the 1 month period; 110 out of 245 funds for the YTD period; 115 out of 244 funds for the 1 Year period; 146 out of 229 funds for the 3 Year period; and 55 out of 199 funds since inception. As of July 31, 2021, the Fund ranked 181 out of 252 funds for the 1 month period; 136 out of 249 funds for the YTD period; 100 out of 246 funds for the 1 Year period; 150 out of 229 funds for the 3 Year period; and 108 out of 200 funds since inception.

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 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 developed markets (DM) countries in the Pacific region (excluding Japan). Emerging Markets stock are measured by the MSCI Emerging Markets Index which captures large and mid cap representation across 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 captures large and mid cap representation across developed markets countries around the world, excluding the US and Canada. U.S. Dollar Index (DXY) indicates the general international value of the U.S. dollar. The DXY does this by averaging the exchange rates between the U.S. dollar and six major world currencies: Euro, Japanese yen, Pound sterling, Canadian dollar, Swedish kroner, and Swiss franc. The Nasdaq Composite Index is the market capitalization-weighted index of over 2,500 common equities listed on the Nasdaq stock exchange. Please note that the information herein represents the opinion of the author, but not necessarily those of VanEck, and these opinions may change at any time and from time to time. Non-VanEck proprietary information contained herein has been obtained from sources believed to be reliable, but not guaranteed. Not intended to be a forecast of future events, a guarantee of future results or investment advice. Historical performance is not indicative of future results. Current data may differ from data quoted. Any graphs shown herein are for illustrative purposes only. No part of this material may be reproduced in any form, or referred to in any other publication, without express written permission of VanEck.

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, limited number of holdings, 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](http://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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