

Stuck in Neutral

VanEck NDR Managed Allocation Fund Review

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NDRMX / NDRUX / NDRYX

Weight-of-the-Evidence Summary

Weight-of-the-evidence is mixed on stocks

- Macroeconomic and fundamental indicators are mixed. While the global economy and earnings growth are slowing, many gauges of the market's health have improved.
- Technical indicators, too, are mixed. Those that typically respond quickly have turned bullish, while the longer-term indicators are more cautious.
- Investor sentiment, as measured by trends in analysts' recommendations, is now bullish. This may be a good sign for future earnings growth.

Performance and Positioning

- The VanEck NDR Managed Allocation Fund (the "Fund") returned +0.77% versus +1.61% for its benchmark of 60% global stocks (MSCI All Country World Index) and 40% bonds (Bloomberg Barclays US Aggregate Bond Index) in February.*
- Last month, since global stocks returned +2.72% and U.S. bonds returned -0.06%, the Fund's 26% underweight position to equities negatively impacted relative performance. Looking at the global equity regions, developed markets, led by the U.S., significantly outperformed the emerging markets. Within the U.S. equity markets, growth outperformed value and small-cap outperformed large-cap.
- The Fund increased its equity allocation from 34% to 60%. While many of the indicators are improving, particularly those that measure risk using market prices, the model continues to measure a period of heightened risk for global equities.

Average Annual Total Returns (%) as of February 28, 2019

	1 Mo [†]	YTD [†]	1 Year	Since Inception
Class A: NAV (Inception 5/11/16)	0.77	3.99	-3.97	5.37
Class A: Maximum 5.75% load	-5.02	-1.99	-9.50	3.18
60% MSCI ACWI/ 40% Bloomberg Barclays US Agg.	1.61	6.87	1.32	7.27
Morningstar Tactical Allocation Category (average) ¹	1.38	6.13	-1.27	5.17

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

	1 Mo [†]	YTD [†]	1 Year	Since Inception
Class A: NAV (Inception 5/11/16)	-4.01	-8.13	-8.13	4.16
Class A: Maximum 5.75% load	-9.52	-13.42	-13.42	1.85
60% MSCI ACWI/ 40% Bloomberg Barclays US Agg.	-3.47	-7.05	-7.90	4.42
Morningstar Tactical Allocation Category (average) ¹	-4.75	-7.89	-7.89	3.14

[†]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

Global economic activity has been slowing and it is making the market anxious. Currently, the two biggest concerns are a monetary policy misstep and the trade war with China. Regarding the first, for now, the U.S. Fed has succeeded in convincing the market that it will not completely derail economic growth. That was the primary catalyst to the S&P 500 Index recovering nearly 20% from the lows of Christmas Eve.

When it comes to the trade war, we believe it is in everyone’s best interests to find a resolution. Below is the NDR Global Trade Monitor report. It provides a comprehensive view of trade activity and confirms that global trade has been in a steady state of decline.

Declining Global Trade Conditions Remains a Primary Concern

	Monthly Change	Quarterly Change	Year-to-Year Change
Global Trade Volume	Negative	Negative	Negative
PMI Global Export Orders	Negative	Negative	Negative
PMI Global Export Order Breadth	Negative	Negative	Negative
Dallas Fed World (ex US) Merchandise Exports	Negative	Negative	Negative
Dallas Fed World (ex US) Merchandise Imports	Negative	Negative	Negative
Contex Index	Negative	Negative	Negative
Baltic Dry Index	Positive	Negative	Negative
Ifo World Export Volume (next six months)	N/A	Negative	Negative

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Right now, there is a lot of bullish evidence. Global stock markets have rallied. The chart below demonstrates that over 90% of the countries are trading above their medium-term averages.

Strong Global Market Breadth Provides Bullish Support



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Other bullish signs are that global corporate earnings revisions have turned positive, volatility has subsided, high yield spreads have narrowed, and the cyclical sectors are outperforming the defensive sectors. All of this should give investors comfort.

Although there is much to be optimistic about, there are warning signs that this rally could be short lived. Global economic activity and long-term earnings growth, in aggregate, are weakening. In addition, long-term technical indicators are still bearish. These indicators are designed to filter out the noise of near-term market moves to capture the big trends in the market. The below chart shows the 120-day relative momentum of global stocks and U.S. bonds. Although it is recovering, as of now, this indicator points to more trouble ahead. All of this conflicting evidence leads us to our neutral allocation to stocks and bonds.

Despite Recent Bullish Evidence, Long-Term Momentum Still Bearish

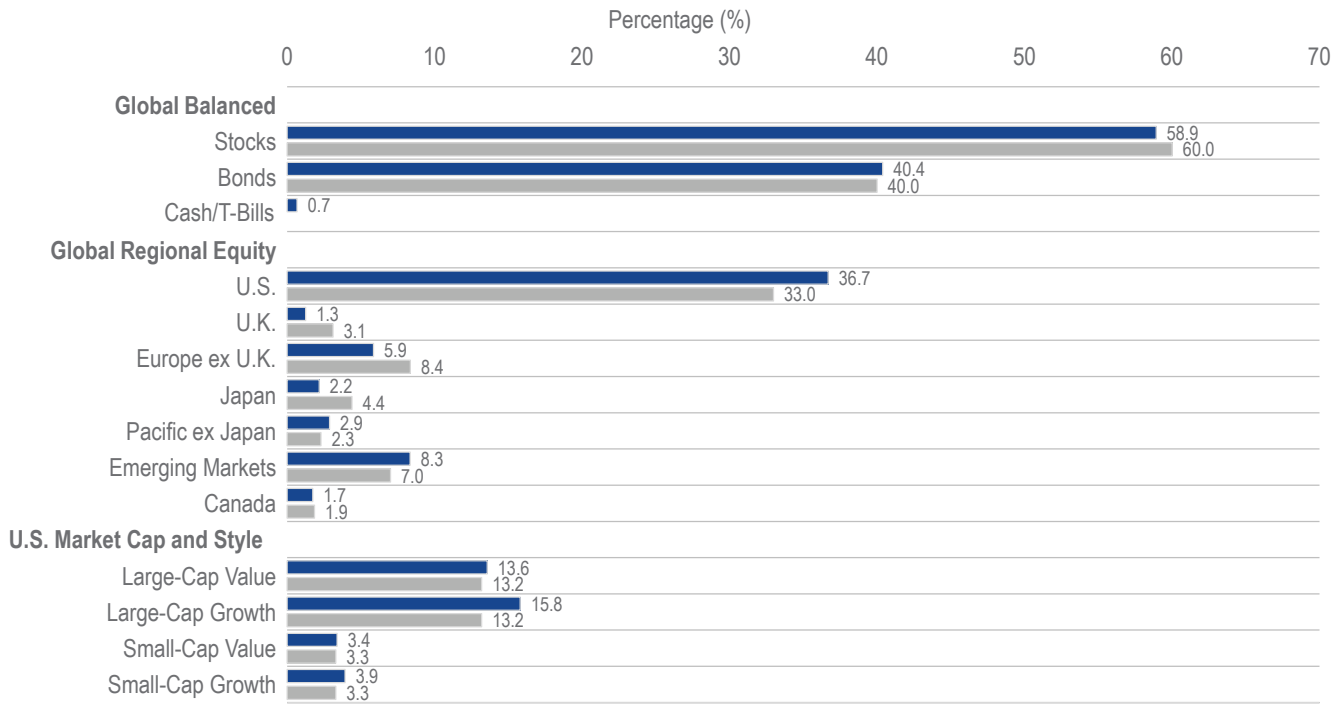


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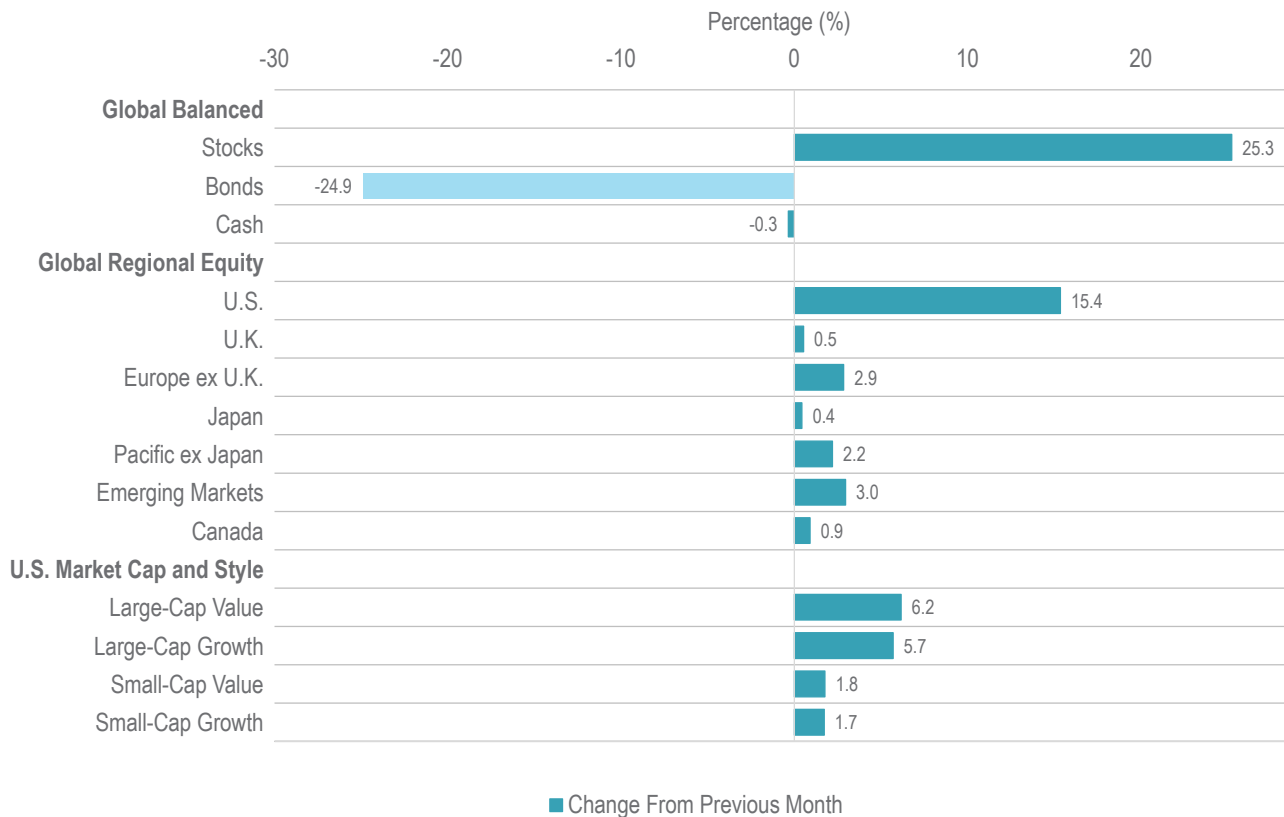
NDR Indicator Summary, March 2019

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

Asset Class Positioning vs. Neutral Allocation, March 2019



Asset Class Positioning Changes, March 2019 vs. February 2019



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.

¹Morningstar 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 December 31, 2018, the Fund ranked 134 out of 283 funds for the 1 month period; 173 out of 283 funds for the YTD period; 173 out of 283 funds for the 1 Year period; and 101 out of 266 funds since inception. As of February 28, 2019, the Fund ranked 219 out of 284 funds for the 1 month period; 217 out of 284 funds for the YTD period; 220 out of 280 funds for the 1 Year period; and 128 out of 262 funds since inception.

²The 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.

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. 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. 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, 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.

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