

Optimism Builds on Infrastructure Proposal

By David Schassler, Portfolio Manager

RAAX[®] VanEck Vectors[®] Real Asset Allocation ETF

Overview

The VanEck Vectors[®] Real Asset Allocation ETF (“RAAX”) returned +2.29% versus -2.15% for the Bloomberg Commodity Index. March was another strong month for RAAX. The largest contributors to performance, from largest to smallest, were income assets with a return of +5.66%, financial assets with a return of +2.72% and resource assets, with a return of +0.48%.

President Joe Biden recently announced an ambitious \$2.3 trillion spending plan to upgrade the nation’s bridges, roads, schools and more. This level of investment is going to require a lot of natural resources to complete. This combined with the unprecedented monetary support from the Fed and the other aggressive fiscal support programs, is creating strong inflationary pressures. In our view, this leads to a very nice outlook for real assets and, more specifically, RAAX.

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

| | 1 Mo [†] | YTD [†] | 1 Yr | Life (04/09/18) |
|---------------------------|-------------------|------------------|-------|--------------------|
| RAAX (NAV) | 2.29 | 14.72 | 33.33 | 1.36 |
| RAAX (Share Price) | 2.17 | 14.81 | 33.10 | 1.38 |
| Bloomberg Commodity Index | -2.15 | 6.92 | 35.04 | -0.42 |

[†]Returns less than a year are not annualized.

Expenses: Gross 1.35%; Net 0.78%. Expenses are capped contractually at 0.55% through February 1, 2022. Expenses are based on estimated amounts for the current fiscal year. Cap exclude certain expenses, such as interest, acquired fund fees and expenses, and trading expenses.

The table presents past performance which is no guarantee of future results and which may be lower or higher than current performance. Returns reflect temporary contractual fee waivers and/or expense reimbursements. Had the ETF incurred all expenses and fees, investment returns would have been reduced. Investment returns and ETF share values will fluctuate so that investors’ shares, when redeemed, may be worth more or less than their original cost.

Average Annual Total Returns (%) as of December 31, 2020¹

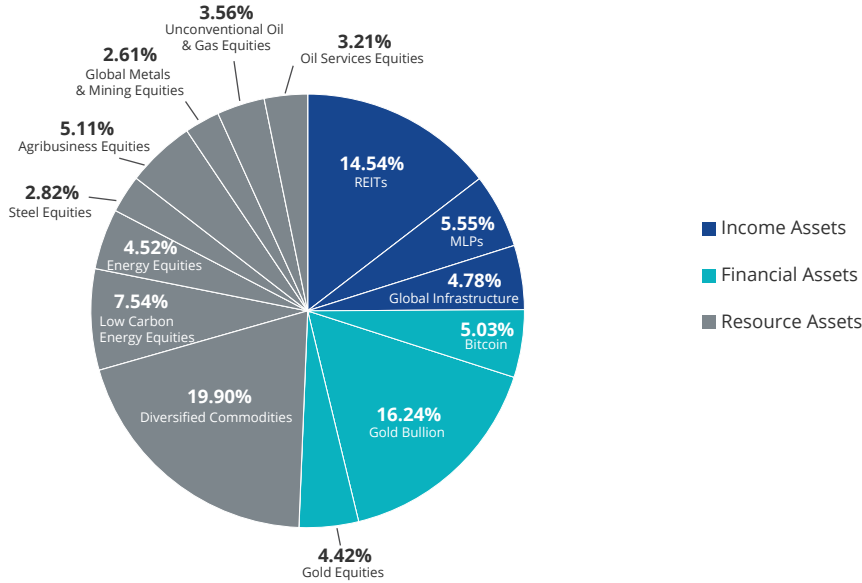
| | 1 Mo [†] | YTD [†] | 1 Yr | Life (04/09/18) |
|---------------------------|-------------------|------------------|--------|--------------------|
| RAAX (NAV) | 0.44 | -13.73 | -13.73 | -3.50 |
| RAAX (Share Price) | 0.18 | -13.72 | -13.72 | -3.51 |
| Bloomberg Commodity Index | 4.97 | -3.12 | -3.12 | -2.86 |

The Bloomberg Commodity Index is 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.

¹ Source: Bloomberg. Please note that the returns include the distribution on the ex-date of December 29, 2020 but not the potential reinvestment that occurred on January 5, 2021. Had the returns above included reinvested distributions, the returns would have been higher. Please visit our website at <https://www.vaneck.com/resources/tax-and-distributions/etfs/> for additional information.

RAAX invests in three types of real assets: financial assets, income assets and resource assets. This month's allocation to financial assets is 25.7%, its allocation to resource assets is 49.3% and its allocation to income assets is 24.9%.

RAAX Asset Allocation Across Financial, Income, and Resource Assets
(as of April 1, 2021)

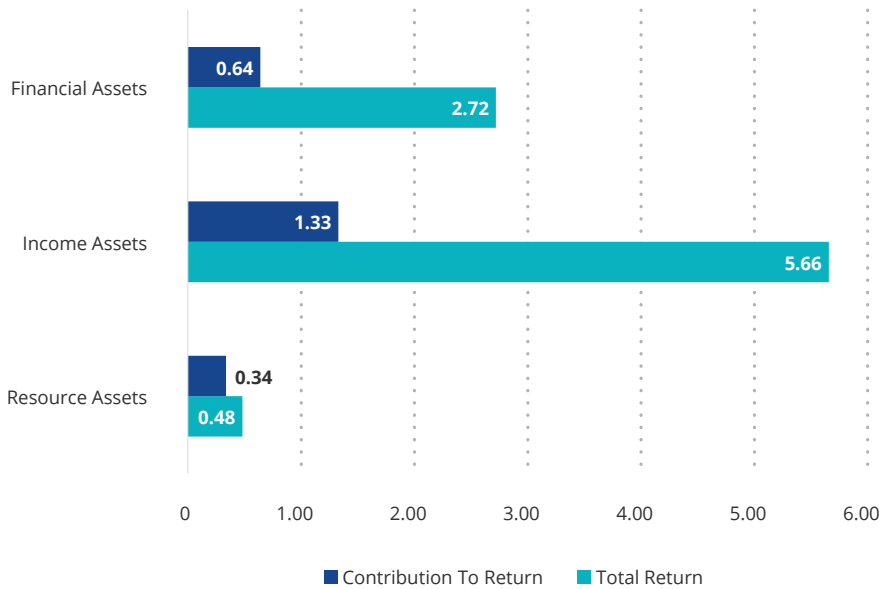


Source: VanEck

Performance Review

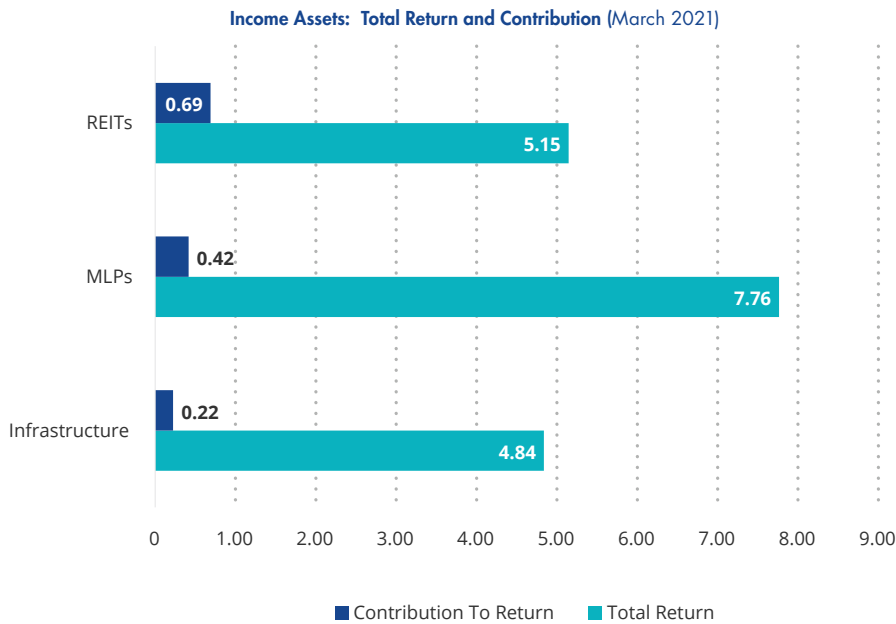
The largest contributors to performance, from largest to smallest, were income assets with a return of +5.66%, financial assets with a return of +2.72% and resource assets, with a return of +0.48%.

Total Return and Contribution (March 2021)



Data as of March 31, 2021. Source: FactSet. Past performance does not guarantee future results. Please see index description on last page.

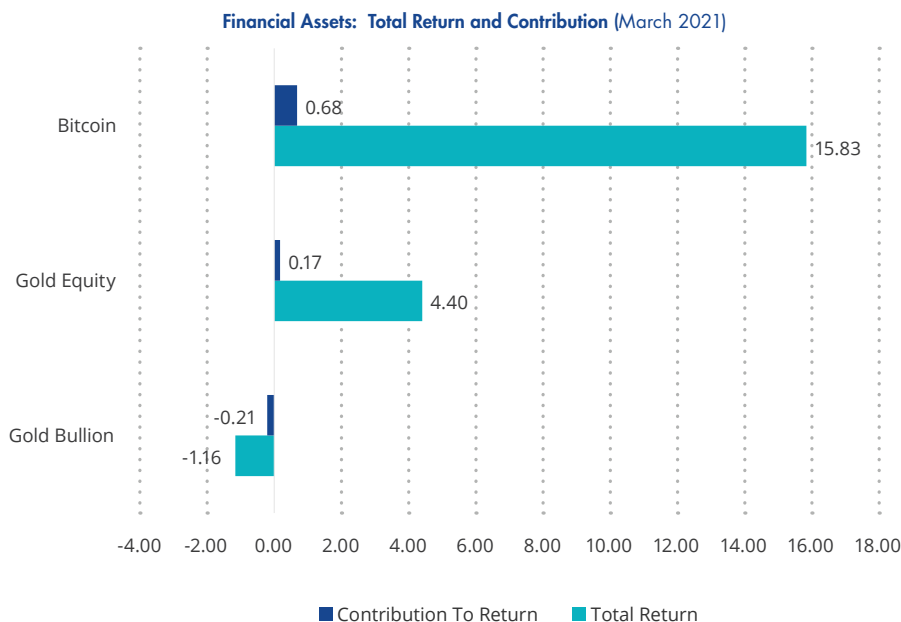
The income-producing assets, in aggregate, continue to prove their resiliency and returned +5.66% in March with a yield of +3.46% (based on 12-month period). The prices of MLPs, REITs and global infrastructure rallied in March despite rising interest rates and, in the case of MLPs, which are related to the price of oil, a modest pullback in energy prices.



Data as of March 31, 2021. Source: FactSet. Past performance does not guarantee future results. Please see index description on last page.

The financial assets were the second largest contributor to performance with an aggregate return of +2.72%. Their strong performance was primarily due to the +15.83% return from RAAX's exposure to the price of bitcoin. Bitcoin reached an all-time high of over \$61k, in mid-March. The digital asset continues to benefit from institutional adoption and inflation fears.

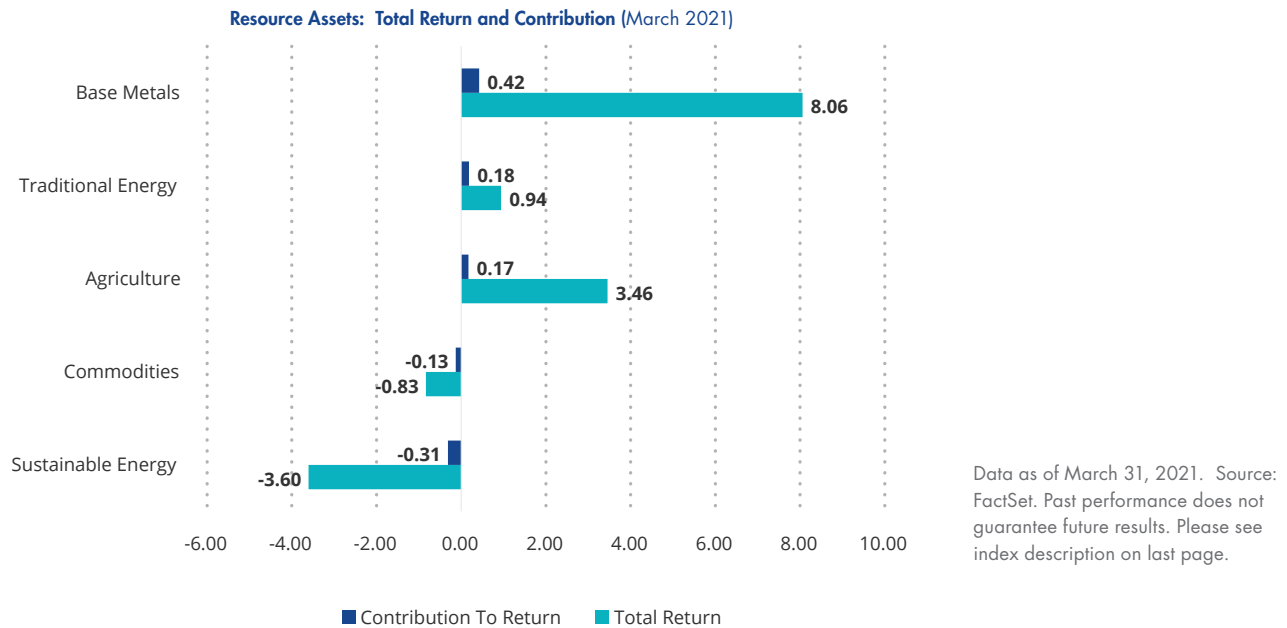
Gold continues to struggle due to the improving outlook for the U.S. economy, which put upward pressure on the yield of the 10-Year U.S. Treasury note and the U.S. dollar. Gold prices closed out the month down 1.52% at \$1,707.71 per ounce. However, despite the weakness in gold prices, RAAX's investment in gold equities generated a return of +4.40%. This may indicate near-term optimism for the price of gold as investors look to take advantage of recent weakness.



Data as of March 31, 2021. Source: FactSet. Past performance does not guarantee future results. Please see index description on last page.

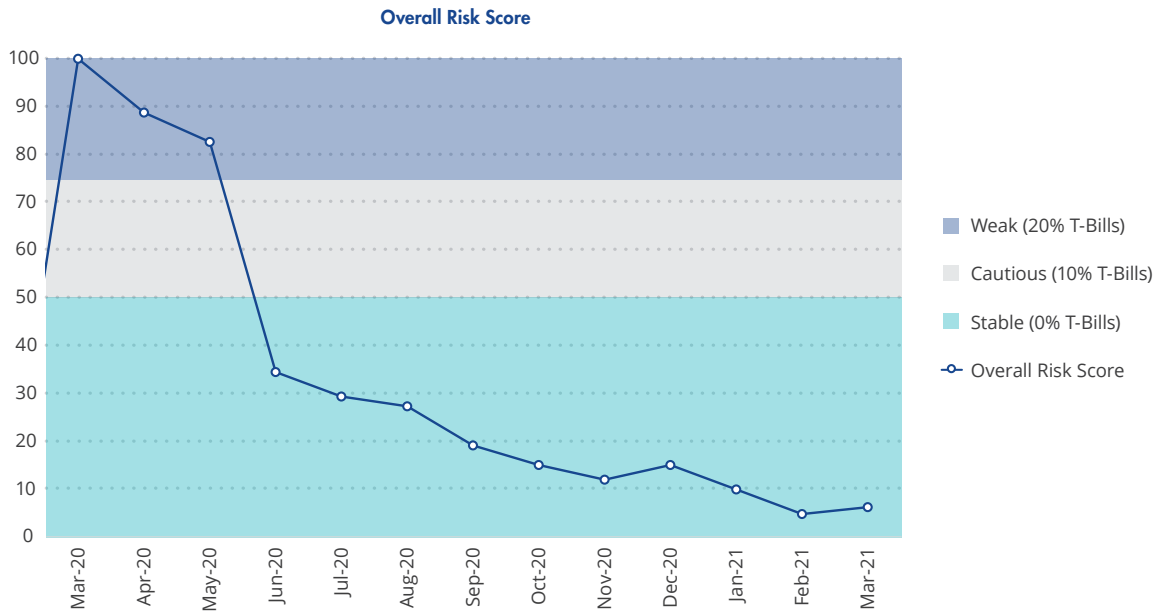
The resource assets segment of the portfolio returned +0.48%. RAAX's investments in natural resource equities and commodity futures returned +1.39% and -0.83%, respectively. The top performing natural resource equity investment was steel, with a return of +14.93%. Steel equities rose sharply in anticipation of the massive global infrastructure spending that should translate into considerable demand for steel. Sustainable energy continued to selloff in March as higher interest rates pressured companies with aggressive growth assumptions and little valuation support.

Lastly, energy prices took a pause in their rapid ascent last month, with WTI crude oil falling 3.84%. Concerns over resurgences of COVID-19 in Europe, with newly announced lockdowns and the suspended use of the AstraZeneca vaccine in Germany and France, put downward pressure on oil prices as the market feared lower potential demand.



March was yet another strong month for RAAX. As reviewed in this commentary, we believe that the future demand for real assets will remain strong based on increased demand stemming from infrastructure spending and an abundance of inflationary pressures. It is for that reason this we expect real assets to remain a top performing asset class into 2021 and beyond.

The chart below shows the real asset risk composite that measures extreme risk within real assets using various quantitative signals. The current score is 8, which indicates a stable risk regime for real assets.



Source: VanEck

The table below details the current and previous month’s asset allocation for RAAX. The small changes are due to market drift, as there has been no recent trading activity.

Monthly Asset Class Changes

| | Apr-21 | Mar-21 | Change |
|-----------------------------------|--------|--------|--------|
| Financial Assets | 25.5% | 25.5% | 0.0% |
| Bitcoin | 5.0% | 4.7% | 0.4% |
| Gold Equities | 4.4% | 4.2% | 0.2% |
| Gold Bullion | 16.2% | 16.6% | -0.4% |
| Income Assets | 24.2% | 24.2% | 0.0% |
| REITs | 14.5% | 14.1% | 0.5% |
| MLPs | 5.6% | 5.3% | 0.2% |
| Global Infrastructure | 4.8% | 4.8% | 0.0% |
| Resource Assets | 50.3% | 50.3% | 0.0% |
| Low Carbon Energy Equities | 7.5% | 8.2% | -0.7% |
| Diversified Commodities | 19.9% | 20.1% | -0.2% |
| Global Metals & Mining Equities | 2.6% | 2.7% | -0.1% |
| Steel Equities | 2.8% | 2.6% | 0.2% |
| Unconventional Oil & Gas Equities | 3.6% | 3.4% | 0.1% |
| Oil Services Equities | 3.2% | 3.5% | -0.3% |
| Energy Equities | 4.5% | 4.6% | 0.0% |
| Agribusiness Equities | 5.1% | 5.2% | -0.1% |
| Cash | 0.2% | 0.1% | 0.1% |

Source: VanEck

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The exchange-traded funds held in RAAx's portfolio track the following indices: The MVIS Global Agribusiness Index is a modified market cap-weighted index tracks the performance of the largest and most liquid companies in the global agribusiness segment. Its unique pure-play approach requires that companies have to generate at least 50% of their revenues from agri-chemicals and fertilizers, seeds and traits, from farm/irrigation equipment and farm machinery, from agricultural products (incl. Grain, tobacco, meat, poultry and sugar), aquaculture and fishing, livestock, plantations and trading of agricultural products. The MVIS Global Coal Index is a modified market cap-weighted index tracks the performance of the largest and most liquid companies in the global coal segment. Its unique pure-play approach requires that companies have to generate at least 50% of their revenues from coal operation (production, mining and cokeries), transportation of coal, from production of coal mining equipment as well as from storage and trade. 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. The MVIS U.S. Listed Oil Services 25 Index is intended to track the overall performance of U.S.-listed companies involved in oil services to the upstream oil sector, which include oil equipment, oil services, or oil drilling. The MVIS Global Unconventional Oil & Gas Index is intended to track the performance of the largest and most liquid companies in the unconventional oil and gas segment. The pure-play index contains only companies that generate at least 50% of their revenues from unconventional oil and gas which is defined as coal bed methane (CBM), coal seam gas (CSG), shale oil, shale gas, tight natural gas, tight oil and tight sands. The DBIQ Optimum Yield Diversified Commodity Index Excess Return is an index composed of futures contracts on 14 heavily traded commodities across the energy, precious metals, industrial metals and agriculture sectors. The NYSE Arca Steel Index is a modified market capitalization weighted index comprised of publicly traded companies involved primarily in the production of steel products. The S&P Global Infrastructure Index is designed to track companies from around the world chosen to represent the listed infrastructure industry while maintaining liquidity and tradability. To create diversified exposure, the index includes three distinct infrastructure clusters: energy, transportation, and utilities. The Ardour Global IndexSM Extra Liquid Index tracks a market-cap-weighted index of low carbon energy companies defined as deriving at least 50% of their revenues from alternative energy. The LBMA Gold Price Index: is a regulated benchmark administered by ICE Benchmark Administration (IBA) who provide the auction platform, the methodology and the overall independent administration and governance for the LBMA Gold Price. The LBMA Gold Price continues to be set twice daily (at 10:30 and 15:00 London BST) in US dollars and other currencies. The MSCI US IMI Real Estate 25/50 Index is designed to capture the large, mid and small cap segments of the U.S. equity universe. All securities in the index are classified in the Real Estate sector as per the Global Industry Classification Standard (GICS®). The index also applies certain investment limits to help ensure diversification. The Energy Sector Index seeks to provide an effective representation of the energy sector of the S&P 500 Index. The Index includes companies from the following industries: oil, gas and consumable fuels; and energy equipment and services. The MSCI ACWI Select Metals & Mining Producers Ex Gold and Silver Investable Market Index (IMI) 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.

Any 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 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.

An investment in the Fund may be subject to risks which include, among others, in 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, interest rate, call and concentration risks, derivatives, cryptocurrency, cryptocurrency tax, 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 (with respect to investments in the Subsidiary), tax (with respect to investments in the Subsidiary), risks of ETPs, liquidity, gap, cash transactions, high portfolio turnover, model and data, management, operational, authorized participant concentration, no guarantee of active trading market, trading issues, market, fund shares trading, premium/discount and liquidity of fund shares, and non-diversified risks. Foreign investments are subject to risks, which include changes in economic and political conditions, foreign currency fluctuations, changes in foreign regulations, and changes in currency exchange rates which may negatively impact the Fund's returns. Small- and medium-capitalization companies may be subject to elevated risks.

Diversification does not assure a profit or protect against a loss.

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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