

# Emerging Markets Fund

GBFAX / EMRCX / EMRIX / EMRYX

VanEck has been investing internationally since opening its doors in 1955. Since then, the firm has developed a unique perspective of investing in “today’s” emerging markets. VanEck manages \$46.2B across active and passive strategies, approximately \$12.7B of which is in emerging markets-related strategies, as of March 31, 2018.

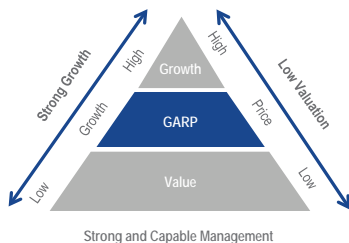
## Investment Philosophy

VanEck believes:

- Persistent, long-term **structural** growth opportunities exist in emerging markets
- Opportunities generally are poorly captured by widely used benchmark indices
- High growth is frequently overvalued, while value stocks often remain relatively cheap

Therefore, we believe capturing potentially strong returns in emerging markets requires an experienced team using a disciplined approach to seek to uncover Structural Growth At a Reasonable Price (“S” GARP).

### S GARP Valuation: The Intersection of Value and Growth



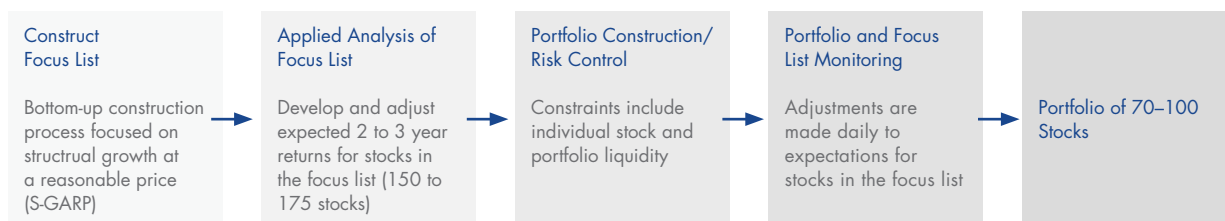
## Investment Approach

- **Bottom-Up Process:** Fundamentally driven stock selection and research process focusing on quality of management, attractiveness of business models and sustainability of a company’s growth drivers
- **Flexibility:** Seek out structural growth in what we consider to be well-managed businesses wherever they exist in emerging markets
- **Experienced Leadership:** Portfolio Manager David Semple and Deputy Portfolio Manager Angus Shillington have a combined 50+ years of direct and broad emerging markets equity experience, and are supported by analysts and VanEck’s global specialists

## Investment Team

- Led by Portfolio Manager David Semple: 27 years of industry experience, 19 with VanEck
- Supported by Deputy Portfolio Manager Angus Shillington and experienced analysts
- Access to knowledge and insights of other investment teams at VanEck: 12 individuals focused on hard assets, five on emerging markets debt

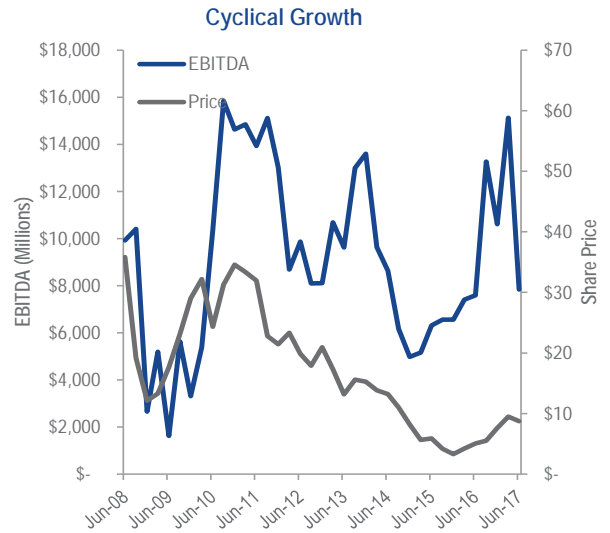
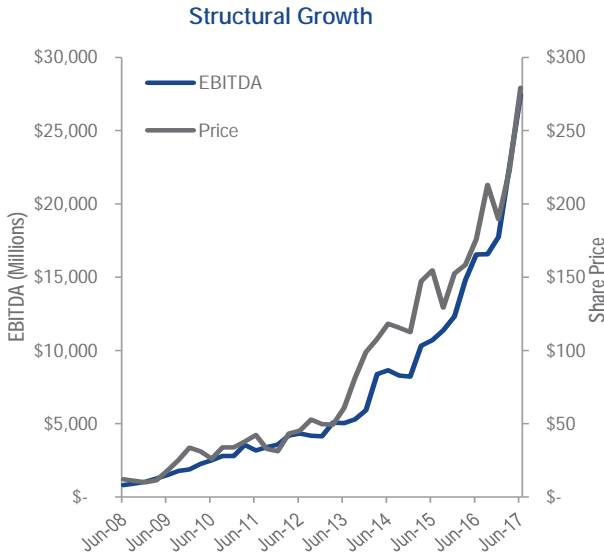
## Investment Process



### Structural Growth versus Cyclical Growth

Structural growth companies are typically characterized by long-term, persistent, and somewhat predictable growth. Cyclical growth companies tend to be more volatile over time with generally less

predictable growth rates versus structural growth companies. The charts below provide examples of two emerging markets companies that, in our opinion, exemplify the growth types aforementioned.

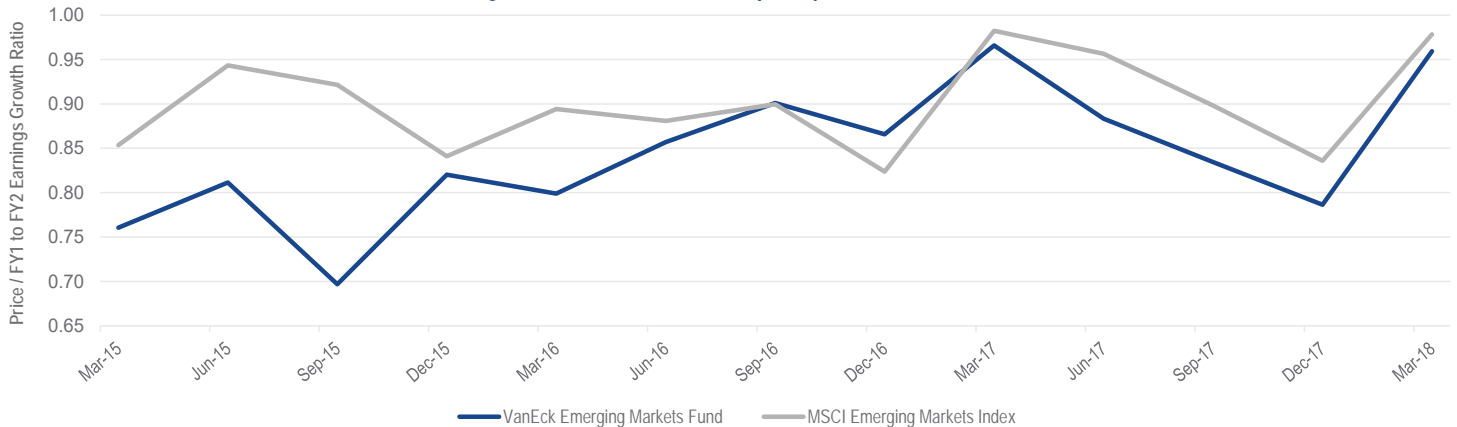


Source: Bloomberg. Data as of June 30, 2017.

The information above is intended to demonstrate the differences between companies that exhibit structural growth and cyclical growth characteristics. The chart is intended to illustrate the types of investment opportunities VanEck may consider. This information is not a recommendation to buy or sell a security. There is no assurance that industries will grow as projected.

### Evidence of Structural Growth at a Reasonable Price (SGARP)

Price/Earnings Growth (PEG) Ratio: Quarterly Datapoints Over the Past Three Years



Source: FactSet. Data as of March 31, 2018.

PEG Ratio is calculated using a company's price-to-earnings ratio divided by the company's expected future growth rate. For a mutual fund or index, a weighted-average of all the fund's or Index's underlying holdings is taken.

**VanEck Emerging Markets Fund: Market Capitalization versus Benchmark**

Market Cap Size	Market Cap Range (\$)	MSCI EM IMI (%)	GBFAX (%)
Large	≥ \$10 billion	66.1	52.5
Mid	< \$10 billion ≥ \$2 billion	23.5	30.7
Small	< \$2 billion	10.4	16.8
Average Weighted Market Cap		\$22.2B	\$18.3B

Source: FactSet. Data as of March 31, 2018.

Historical information is not indicative of future results; current data may differ from data quoted.

**Investment Performance and Rankings: Morningstar U.S. Open-Ended Diversified Emerging Markets Category<sup>1</sup> as of March 31, 2018**

- Fund ranks in first quartile over one year period (5 out of 232 funds)
- Fund ranks in second quartile over three year period (91 out of 203 funds)
- Fund ranks in first quartile over five year period (29 out of 157 funds)
- Fund ranks in first quartile over seven year period (10 out of 117 funds)
- Fund ranks in first quartile over ten year period (15 out of 80 funds)

Rankings based on no load returns using oldest share class in Morningstar U.S. Open-Ended Diversified Emerging Markets Category.

<sup>1</sup> The Morningstar U.S. Open-Ended Diversified Emerging Markets Category consists of emerging markets funds that invest at least 50% of stock assets in developing nations. Please see index definitions on next page.

**Portfolio Characteristics as of March 31, 2018**

Market Capitalization (Cap) Breakdown		Five Year Risk Measures and Statistics		Fund Facts	
% of portfolio		Volatility	14.72	P/E (LTM)/(Forward)	17.9/15.5
Large (≥ \$10 billion)	52.5	Sharpe Ratio	0.47	Price-to-Book (LTM)	3.3
Mid (<\$10 billion ≥ \$2 billion)	30.7	Alpha vs. MSCI EM IMI	1.79	Return on Equity	21.4
Small (< \$2 billion)	16.8	Beta vs. MSCI EM IMI	0.93	Active Share/Turnover Ratio	84.4/25%
Average Weighted Market Cap	\$18.3B	Downside Capture Ratio vs. MSCI EM IMI	88.61	Estimated EPS Growth (FY1)	31.57
		Upside Capture Ratio vs. MSCI EM IMI	96.91	PEG Ratio	0.96

DEFINITIONS: Market capitalization (cap) is the value of a corporation as determined by the market price of its issued and outstanding common stock. 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. Alpha is a measure of the difference between a portfolio's actual and expected returns, given its level of risk as measured by beta. Beta is a measure of sensitivity to market movements. R-squared reflects the percentage of a fund's movements that can be explained by movements in its benchmark index. Price-to-earnings (PE) ratio is the price of a stock divided by its earnings per share (EPS). Price-to-book (PB) ratio is the ratio of a stock's price to its book value. Upside and downside capture ratios show whether a given fund has outperformed and underperformed a broad market benchmark during periods of market strength and weakness and by how much. Return on equity is calculated as the company's profits divided by its equity. Return on assets is calculated by dividing a company's profits by its assets. Estimated EPS growth is the percentage growth expected for a company's earnings per share. PEG ratio is calculated by dividing the PE ratio by expected earnings growth.

**Average Annual Total Returns<sup>1</sup> (%) as of March 31, 2018**

	1 Yr	3 Yr	5 Yr	10 Yr
Class A: NAV (Inception 12/20/93)	35.32	9.21	6.72	4.42
Class A: 5.75% Sales Charge	27.58	7.07	5.46	3.80
Class I: NAV (Inception 12/31/07)	35.89	9.72	7.23	4.97
MSCI EM IMI	24.51	8.98	5.30	3.55
MSCI EM Index	25.37	9.21	5.37	3.36
Category Average <sup>2</sup>	23.13	8.19	4.35	2.10

<sup>1</sup>Returns for periods longer than one year are annualized. Expenses: Class A: Gross 1.53%; Net 1.53%; Class I: Gross 1.16%; Net 1.00%. Expenses are capped contractually until 05/01/18 at 1.60% for Class A and 1.00% for Class I. Caps exclude certain expenses, such as interest.

<sup>2</sup>The Morningstar U.S. Open-Ended Diversified Emerging Markets Category consists of emerging markets funds that invest at least 50% of stock assets in developing nations. Please see index definitions below.

\*Please note that the Fund's inception date was December 20, 1993, but prior to December 18, 2002, it operated with a substantially different investment strategy. Specifically, it invested primarily in the common stocks and other equity securities of global large-cap growth companies and could invest no more than 10% of its assets in emerging markets securities.

**Source: Morningstar; Factset. Data as of March 31, 2018. The table presents 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 NAV. Index returns assume that dividends of the Index constituents in the index have been reinvested. Performance information current to the most recent month end is available by calling 800.826.2333 or by visiting [vaneck.com](http://vaneck.com).**

The Morgan Stanley Capital International Emerging Markets Index (MSCI EM) Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The MSCI Emerging Markets Index consists of the following 24 emerging markets country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey, and United Arab Emirates.

The MSCI Emerging Markets Investable Market Index (IMI) captures large, mid and small cap representation across 24 emerging markets countries and covers approximately 99% of the free float-adjusted market capitalization in each country.

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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 a Fund. An index's performance is not illustrative of a Fund's performance. Indices are not securities in which investments can be made.

You can lose money by investing in the Fund. Any investment in the Fund should be part of an overall investment program, not a complete program. The Fund is subject to the risks associated with its investments in emerging markets securities, which tend to be more volatile and less liquid than securities traded in developed countries. The Fund's investments in foreign securities involve risks related to adverse political and economic developments unique to a country or a region, currency fluctuations or controls, and the possibility of arbitrary action by foreign governments, including the takeover of property without adequate compensation or imposition of prohibitive taxation. The Fund is subject to risks associated with investments in derivatives, illiquid securities, and small or mid-cap companies. The Fund is also subject to inflation risk, market risk, non-diversification risk, and leverage risk. Please see the prospectus and summary prospectus for information on these and other risk considerations.

**Investing involves risk, including possible loss of principal. VanEck Funds are subject to risks unique to foreign investing including currency fluctuation, different financial and regulatory standards, and political instability. An investor should consider investment objectives, risks, charges and expenses of the investment company carefully before investing. To obtain a prospectus and summary prospectus, which contain this and other information, call 800.826.2333 or visit [vaneck.com](http://vaneck.com). Please read the prospectus and summary prospectus carefully before investing.**