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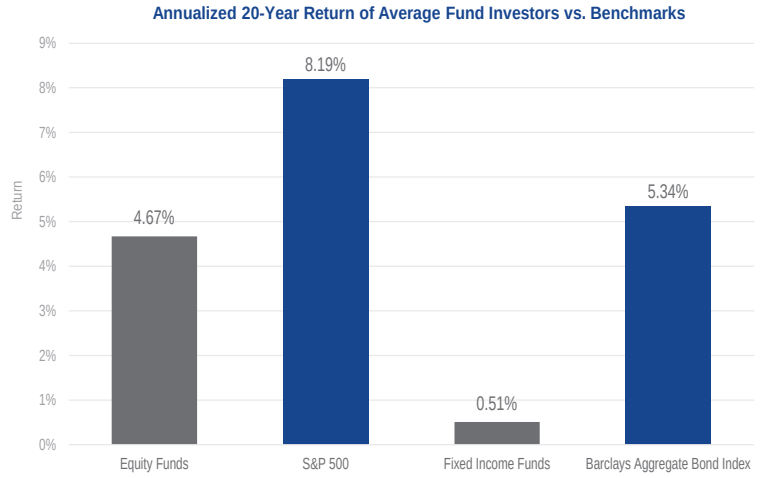
VanEck FUNDS

Invest, Just Don't Behave Like An Investor

VanEck NDR Managed Allocation Fund Can Help Investors Avoid Common Traps

Thought and action. These are the two fundamental components of any successful decision, including the decision to invest in the capital markets. Yet despite the numerous factors that can influence markets on a daily basis, evidence has shown that these basic elements of human nature have the greatest impact on investment performance. In fact, over the last 20 years, voluntary investor behavior was the leading cause for investor underperformance in both the equity and fixed income markets, accounting for $122 billion (or 45%) of total market losses in the equities market over this time period.[1]



Investor behavior has contributed to an annual performance gap compared to the markets' overall performance of 3.5% for equity investors and 4.8% for fixed income investors over the last 20 years.[1]

Please see index descriptions on back.

[1]Source: 2015 Quantitative Analysis of Investment Behavior (QAIB), DALBAR. Average Fund Investor performance is calculated using monthly fund data supplied by the Investment Company Institute, QAIB calculates investor returns as the change in assets after excluding sales, redemptions and exchanges. This method of calculation captures realized and unrealized capital gains, dividends, interest, trading costs, sales charges, fees, expenses and any other costs.

Investor Psychology: Avoid These Traps

Research has shown that poor investor decisions fall into the nine distinct categories listed below.[1] Difficult as it may be at times, it's important to try to think rationally and remain patient in order to achieve your investment goals.

Loss Aversion
Expecting to find high return with low risk

Anchoring
Relating to the familiar experiences, even when inappropriate

Optimism
Belief that good things happen to me and bad things happen to others

Narrow Framing
Making decisions without considering all implications

Herding
Copying the behavior of others even in the face of unfavorable outcomes

Diversification
Seeking to reduce risk, but simply using different sources

Mental Accounting
Taking undue risk in one area and avoiding rational risk in another

Regret
Treating errors of commission more seriously than errors of omission

Media Response
Tendency to react to news without reasonable examination

The VanEck NDR Managed Allocation Fund eliminates these key behavioral responses allowing investors to stay invested across all market cycles.

VanEck NDR Managed Allocation Fund
A Tactical Solution to Core Asset Allocation

The **VanEck NDR Managed Allocation Fund** seeks capital appreciation by allocating primarily to exchange-traded products (ETPs) that invest in domestic and foreign equities and U.S. debt securities. VanEck has partnered with Ned Davis Research (NDR), a recognized leader in objective data analysis with a long history of researching financial market cycles and using technical signals to supplement macroeconomic and fundamental research.

Unlike many allocation strategies that tend to be "strategic", or unable to modify allocations to current market conditions, the VanEck NDR Managed Allocation Fund has the ability to allocate to cash and cash equivalents in volatile or uncertain markets. The **VanEck NDR Managed Allocation Fund** seeks to enhance portfolio potential while managing risk across all market cycles through:

- **Diversification of Investment Disciplines and Asset Classes**
  Allocation decisions are driven by a model developed by NDR that combines over 130 macroeconomic, fundamental, and technical indicators to overweight asset classes expected to outperform on a relative basis and underweight or exit those expected to underperform.

- **Flexibility to Adapt to Market Cycles**
  Investment decisions are based upon objective analysis to help avoid emotional and timing investment mistakes, with the added flexibility to add or remove indicators as market conditions change.

- **Disciplined Portfolio Implementation**
  VanEck's Portfolio and Risk Solutions group implements the NDR model. This group conducts its own asset allocation and risk modeling research and also maintains continuous interaction with NDR to review the latest market research.

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 a fund. An index's performance is not illustrative of a fund's performance. Indices are not securities in which investments can be made. The S&P 500 Index is an index of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe. The Barclays US Aggregate Bond Index measures the performance of the U.S. investment grade bond market. The index invests in a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States – including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities, all with maturities of more than 1 year.

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. All mutual funds are subject to market risk, including possible loss of principal. 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 smaller companies, foreign securities, emerging markets, debt securities, commodities, and derivatives. 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. . Because the Adviser relies heavily on third party quantitative models, the Fund is also subject to model and data risk. For a description of these and other risk considerations, please refer to the Fund's prospectus, which should be read carefully before you invest. Diversification does not assure a profit or protect against loss.

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, and 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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Van Eck Securities Corporation, Distributor
666 Third Avenue | New York, NY 10017
vaneck.com | 800.826.2333