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).

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
- **Construct Focus List**
  - Bottom-up construction process focused on structural growth at a reasonable price (S-GARP)
- **Applied Analysis of Focus List**
  - Develop and adjust expected 2 to 3 year returns for stocks in the focus list (150 to 175 stocks)
- **Portfolio Construction/ Risk Control**
  - Constraints include individual stock and portfolio liquidity
  - Adjustments are made daily to expectations for stocks in the focus list
- **Portfolio and Focus List Monitoring**
  - Portfolio of 70–100 Stocks
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.

Evidence of Structural Growth at a Reasonable Price (SGARP)

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.

Source: FactSet. Data as of March 31, 2018.
**Fund Overview**  Emerging Markets Fund

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

<table>
<thead>
<tr>
<th>Market Cap Size</th>
<th>Market Cap Range ($)</th>
<th>MSCI EM IMI (%)</th>
<th>GBFX (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large</td>
<td>≥ $10 billion</td>
<td>66.1</td>
<td>52.5</td>
</tr>
<tr>
<td>Mid</td>
<td>&lt; $10 billion ≥ $2 billion</td>
<td>23.5</td>
<td>30.7</td>
</tr>
<tr>
<td>Small</td>
<td>&lt; $2 billion</td>
<td>10.4</td>
<td>16.8</td>
</tr>
</tbody>
</table>

**Average Weighted Market Cap**

<table>
<thead>
<tr>
<th></th>
<th>Market Cap Range ($)</th>
<th>MSCI EM IMI (%)</th>
<th>GBFX (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$22.2B</td>
<td>$18.3B</td>
<td></td>
</tr>
</tbody>
</table>

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

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

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### Investment Performance and Rankings: Morningstar U.S. Open-Ended Diversified Emerging Markets Category 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.

1 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.

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### Portfolio Characteristics as of March 31, 2018

<table>
<thead>
<tr>
<th>Market Capitalization (Cap) Breakdown</th>
<th>Five Year Risk Measures and Statistics</th>
<th>Fund Facts</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of portfolio</td>
<td>Volatility</td>
<td>14.72</td>
</tr>
<tr>
<td>Large (&gt;= $10 billion)</td>
<td>Sharpe Ratio</td>
<td>0.47</td>
</tr>
<tr>
<td>Mid (&lt;$10 billion &gt;= $2 billion)</td>
<td>Alpha vs. MSCI EM IMI</td>
<td>1.79</td>
</tr>
<tr>
<td>Small (&lt; $2 billion)</td>
<td>Beta vs. MSCI EM IMI</td>
<td>0.93</td>
</tr>
<tr>
<td>Average Weighted Market Cap</td>
<td>Downside Capture Ratio vs. MSCI EM IMI</td>
<td>88.61</td>
</tr>
<tr>
<td></td>
<td>Upside Capture Ratio vs. MSCI EM IMI</td>
<td>96.91</td>
</tr>
<tr>
<td></td>
<td>P/E (LTM)/(Forward)</td>
<td>17.9/15.5</td>
</tr>
<tr>
<td></td>
<td>Price-to-Book (LTM)</td>
<td>3.3</td>
</tr>
<tr>
<td></td>
<td>Return on Equity</td>
<td>21.4</td>
</tr>
<tr>
<td></td>
<td>Active Share/Turnover Ratio</td>
<td>84.4/25%</td>
</tr>
<tr>
<td></td>
<td>Estimated EPS Growth (FY1)</td>
<td>31.57</td>
</tr>
<tr>
<td></td>
<td>PEG Ratio</td>
<td>0.96</td>
</tr>
</tbody>
</table>

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**DEFINITIONS:**
- **Market capitalization (cap)**: The value of a corporation as determined by the market price of its issued and outstanding common stock. Market capitalization is the annualized standard deviation of monthly returns. **Volatility** 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.
Emerging Markets Fund

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. Please read the prospectus and summary prospectus carefully before investing.