

Stop trying to forecast, Inflation is here



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Portfolio Manager

RAAX

VanEck Inflation Allocation ETF

Overview

The VanEck Inflation Allocation ETF ("RAAX") returned +0.51% versus +1.84% for the Bloomberg Commodity Index in the month of July. RAAX is up 23.52% year-to-date. The top performing segment of the portfolio was financial assets, which, led higher by strong performance in bitcoin and gold, returned +4.26%. The income assets returned a solid +2.04% due to the strong performance of REITs and infrastructure. The largest detractor from performance was the resource assets, with a return of -1.69%. Resource assets were bogged down by falling prices in traditional energy companies.

Month-End

Average Annual Total Returns (%) as of July 31, 2021¹

	1 Mo†	YTD†	1 Yr	3 Yr	Life (04/09/18)
RAAX (NAV)	0.51	23.52	32.11	3.17	3.51
RAAX (Share Price)	0.58	23.56	32.45	3.09	3.51
Bloomberg Commodity Index	1.84	23.37	40.28	5.29	4.02

Quarter-End

Average Annual Total Returns (%) as of June 30, 2021¹

	1 Mo†	YTD†	1 Yr	3 Yr	Life (04/09/18)
RAAX (NAV)	0.14	22.89	40.09	3.01	3.44
RAAX (Share Price)	0.04	22.84	39.57	2.84	3.42
Bloomberg Commodity Index	1.85	21.15	45.60	3.91	3.54

† Returns less than a year are not annualized.

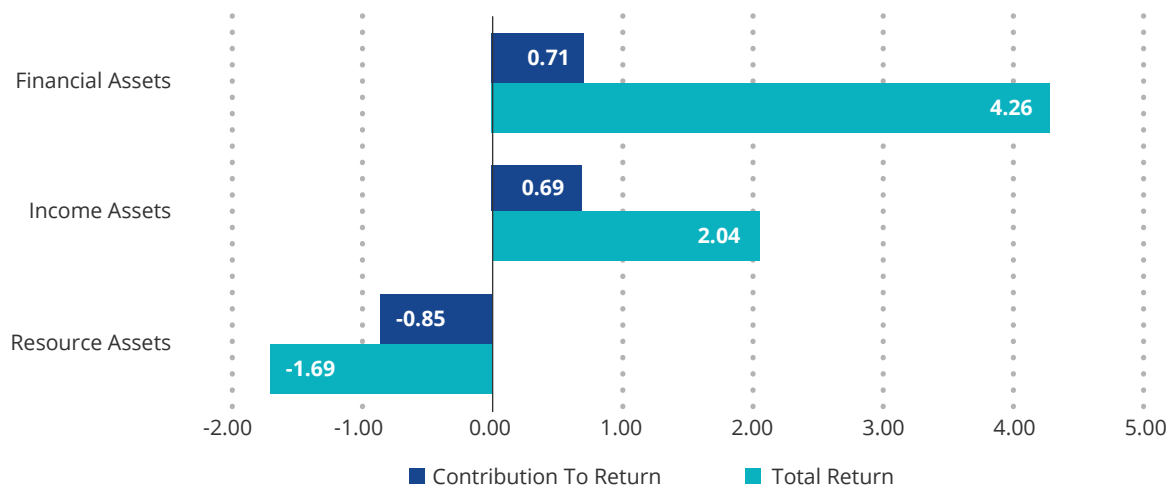
Expenses: Gross 1.35%; Net 0.78%. Expenses are capped contractually at 0.55% through February 1, 2022. Expenses are based on estimated amounts for the current fiscal year. Cap exclude certain expenses, such as interest, acquired fund fees and expenses, and trading expenses.

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.

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.

Total Return Contribution (July 2021)



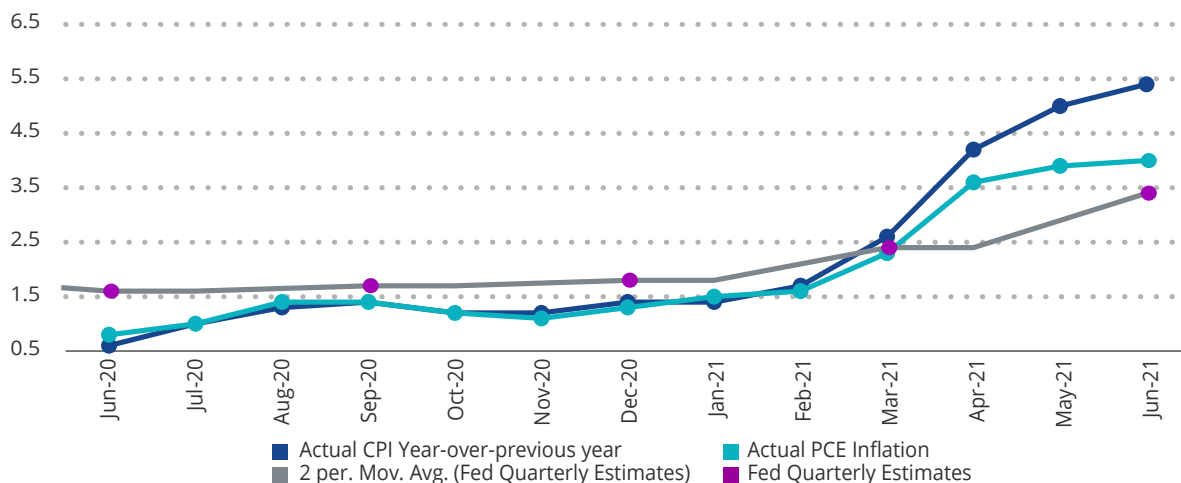
Data as of July 31, 2021. Source: Bloomberg. Past performance does not guarantee future results. Please see index description on last page.

The \$1.2 trillion infrastructure-spending bill is now closer to becoming a reality. This is expected to create significant and steady demand for raw inputs and improve business for infrastructure companies. RAAX is well positioned to benefit from this trend in two ways. First, it has nearly 50% of its assets in resources. This includes a 20% allocation to commodity futures and a 30% allocation to the companies involved in the production and distribution of natural resources. Secondly, it also has over a 10% allocation to infrastructure companies. These are companies in key industries, such as railroads, electrical products, and engineering construction.

In July, we received a flurry of data points that provided additional confirmation that we have an inflation problem. The latest readings for the Consumer Price Index ("CPI") was 5.4% and the Personal Consumption Expenditures Price Index ("PCE") was 3.5%. According to Bloomberg, the word "inflation" was mentioned on 87% of the earnings calls that they track. Yet, with the exception of booming commodity prices and the share prices of natural resource companies, many classic inflation metrics, such as break-even inflation rates and gold prices, are telling us that inflation will ease. This leaves investors with a conundrum. Do they look at the data in front of them and protect themselves or remain optimistic that this problem will simply go away. Risk management 101 would point to the former rather than the latter.

What is most interesting to us throughout this debate is that the market continues to favor the view that inflation is only temporary regardless of how wrong those trumpeting this view have been. The U.S. Federal Reserve (the "Fed"), which is likely the most respected and loudest voice on this topic, has significantly underestimated the recent surge in inflation. Below is the comparison of the Fed's inflation forecasts vs. actual inflation.

Median estimate of Federal Reserve officials of PCE vs. Actual PCE and CPI

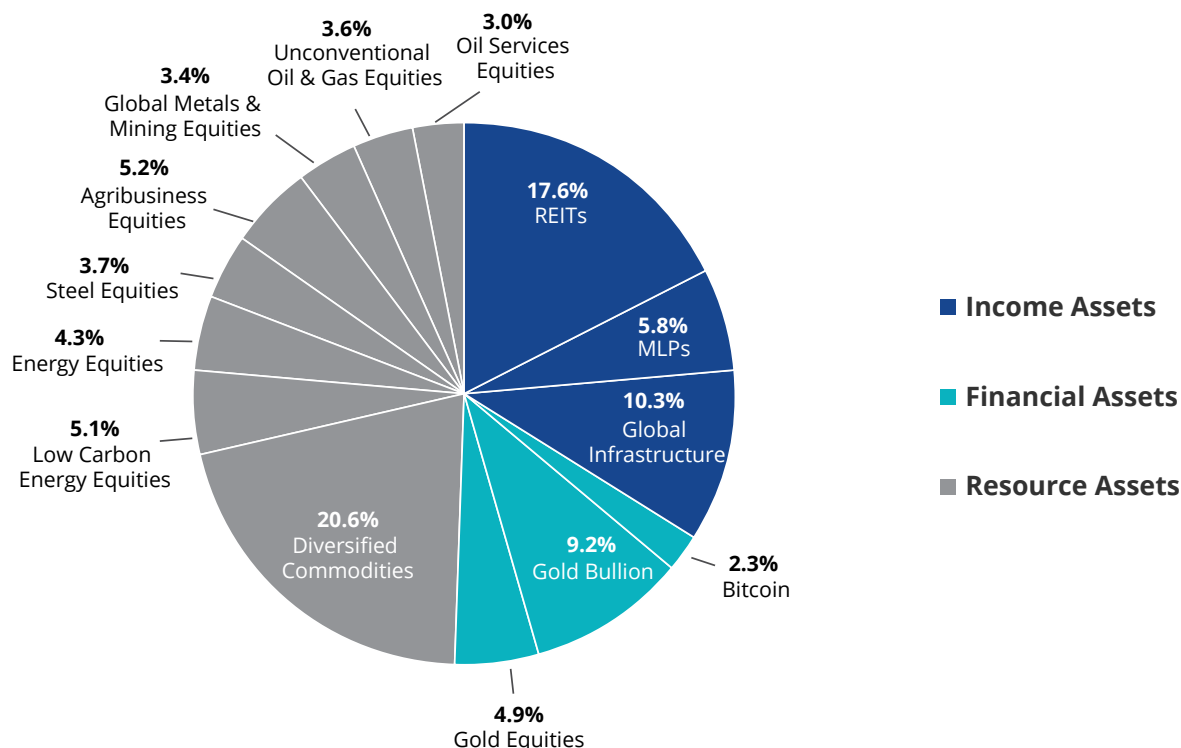


Data as of June 30, 2021. Source: Bloomberg. Past performance does not guarantee future results. Please see disclosures on last page.

This is not a condemnation of the Fed or others who, in our opinion, have been behind the curve. We are in uncharted territory in terms of the intersections of colossal monetary and fiscal policies and the ongoing economic impacts and uncertainties of COVID-19. Therefore, given the gravity of the situation in which we currently find ourselves, it would be wise to be less reliant on forecasts and more sensitive to the apparent pricing pressures around us. For investors, we believe that means an allocation to inflation fighting assets – such as the ones held by the VanEck Inflation Allocation ETF.

There were no allocation changes in RAAX in August. The Fund continues to be positioned for more upside in commodity prices, with a 49% allocation to resource assets, and continued strong performance from income producing real assets, with a weighting of 34%. The remaining 17% is allocated to financial assets, with approximately 15% in gold (10% in bullion and 5% in gold equities) and 2% in exposure to bitcoin.

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



Source: VanEck.

Performance Review

Resource Assets

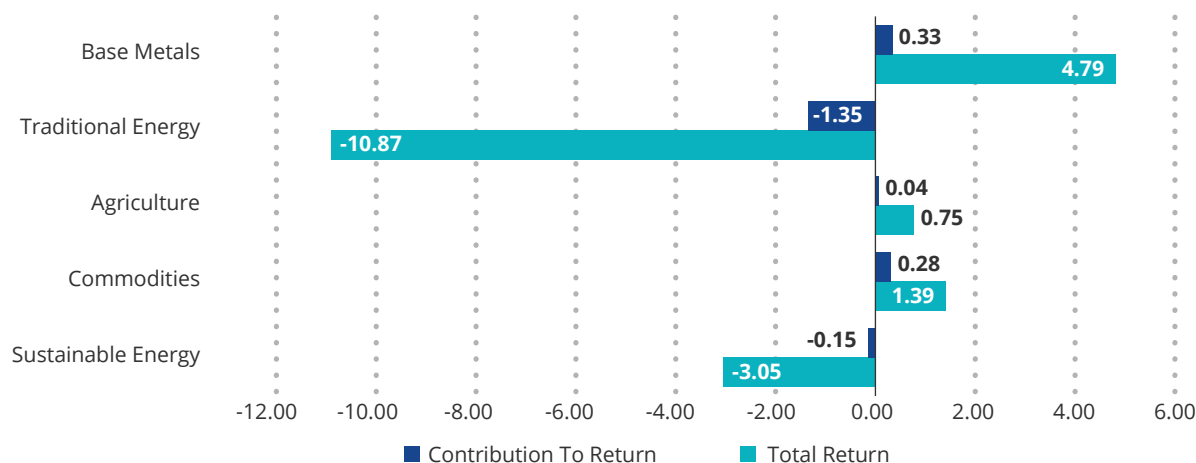
The resource assets segment of the portfolio returned -1.69% in July and +25.82% year-to-date. The commodity exposure, which accounted for 42% of the resource segment of the portfolio, returned +1.39%. The remaining capital was allocated to natural resource equities, which, in aggregate, returned -3.84%.

Commodity prices were led higher by energy. WTI crude oil returned +1.25% and ended the month at \$73.95 per barrel. Other energy commodity benchmarks also rallied during the month: gasoline returned +5.54%, heating oil returned +3.34% and Brent crude returned +2.29%. The demand for energy continues to rebound despite new risks from the delta variant. However, oil prices may find resistance moving materially higher in the near-term given the latest OPEC+ pledge to increase production by 400,000 barrels per day to keep up with demand. Other commodities, such as metals, were also strong. Generally, the uptick in demand is being met with supply issues, which has fueled the price surges.

Within natural resource equities, the top performing segment were companies involved in base metal industries, such as steel, copper and aluminum. In aggregate, the return of this exposure in RAAX was +4.79%. These companies continue to benefit from commodity price inflation, with many of these metals approximately 50% higher than last year.

Interestingly, regardless of strong energy prices, traditional energy stocks were down. RAAX's exposure to traditional energy returned -10.87%. Within traditional energy, the fund's exposure to oil services returned -12.82%, to unconventional oil & gas returned -12.14% and to more diversified oil exposure, which includes integrated oil companies, returned -8.32%. Overall, despite their relative attractiveness based on valuations, investors may be looking ahead to potentially more balance in supply and demand in the future and the negative implications from the transition towards renewable energy. However, the prospects of more renewable energy did not help the share prices of companies in these industries in July. RAAX's exposure to clean energy returned -3.05%.

Resource Assets: Total Return and Contribution (July 2021)



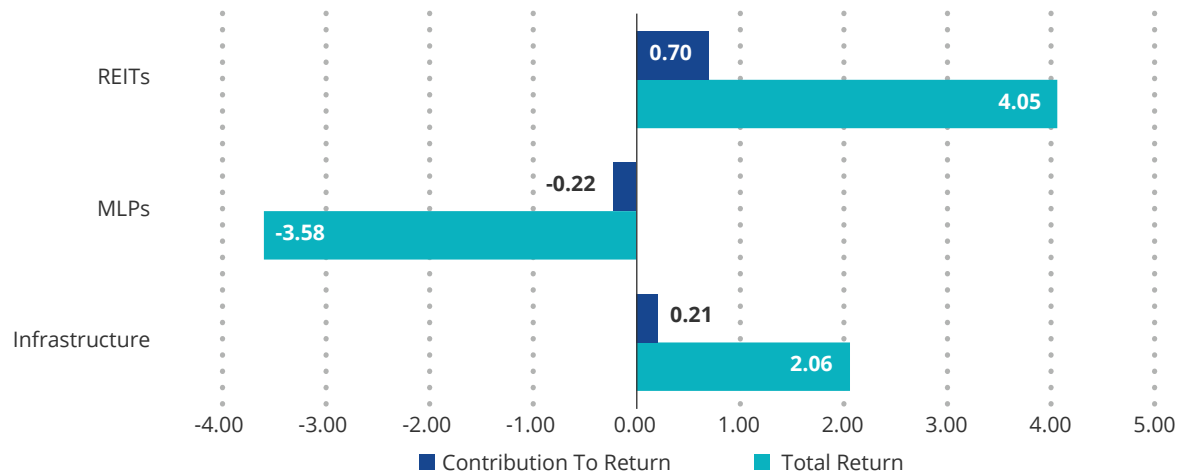
Data as of July 31, 2021. Source: FactSet. Past performance does not guarantee future results. Please see index description on last page.

Income-Producing Assets

The 12-month yield on our basket of income-producing assets is 2.89%. This segment of the portfolio returned +2.04% in July and +23.88% year-to-date. Income producing assets continued to benefit from falling yields, further strength in real estate prices and optimism over progress on the U.S. infrastructure plan. The yield of the U.S. 10-Year Treasury note reached a low of 1.14% in July as the market braces for a potential economic slowdown as the delta variant threatens global growth.

RAAX's exposure to REITs returned +4.05% and its exposure to infrastructure returned +2.06%. Despite falling yields, RAAX's exposure to MLPs returned -3.58% due to general weakness in the shares of companies related to the traditional energy industry.

Income Assets: Total Return and Contribution (July 2021)



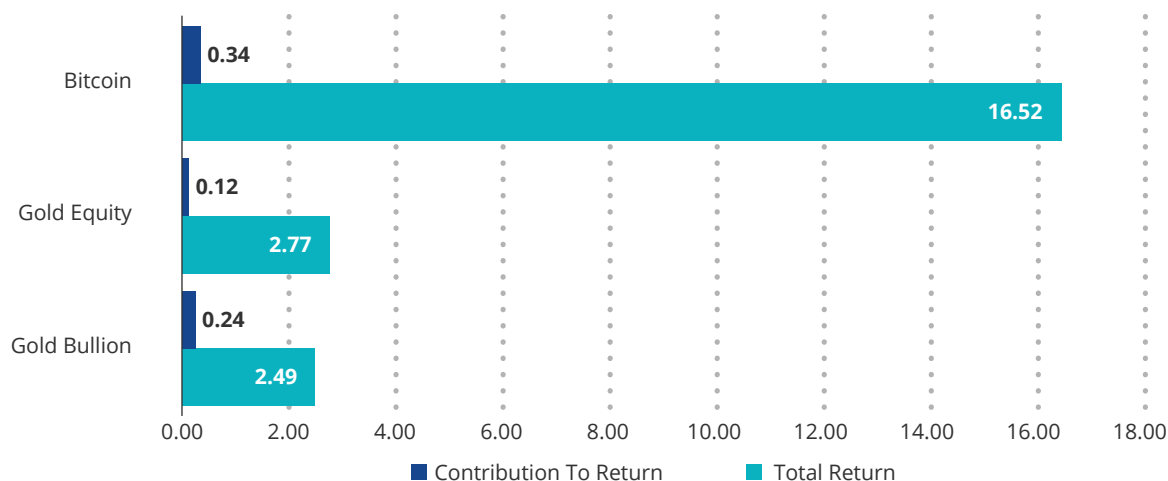
Data as of July 31, 2021. Source: FactSet. Past performance does not guarantee future results. Please see index description on last page.

Financial Assets

RAAX's financial assets, in aggregate, returned +4.26% in July and have returned -6.64% year-to-date. Gold was the largest contributor to performance within this segment of the portfolio, with a return of +2.58%. Within the gold allocation, exposure to the price of bullion return +2.49% and gold equities returned +2.77%. During the month, gold benefited from the fears of COVID-19 and falling interest rates.

The fund's exposure to bitcoin significantly contributed to performance as the position rallied +16.52% during the month. Bitcoin had largely struggled due to crackdowns in China over mining that kept the cryptocurrency bouncing along the technical support level of \$30,000. However, that negative sentiment quickly changed due to positive comments from Elon Musk and Jack Dorsey. This catapulted the price of bitcoin higher and squeezed short sellers.

Financial Assets: Total Return and Contribution (July 2021)



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

Below are the allocation changes from July to August, which were the result of changing market prices. RAAX did not make any allocation changes over the period.

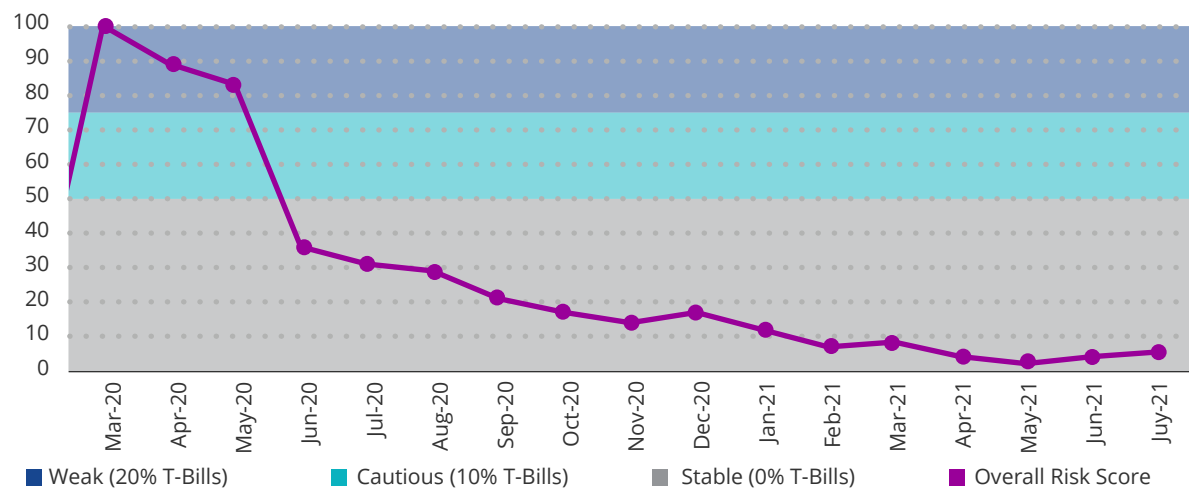
Monthly Asset Class Changes

	Aug-21	Jul-21	Change
Financial Assets	16.4%	16.6%	-0.2%
Bitcoin	2.3%	1.9%	0.4%
Gold Equities	4.9%	4.7%	0.2%
Gold Bullion	9.2%	10.0%	-0.7%
Income Assets	33.6%	33.0%	0.6%
REITs	17.6%	16.9%	0.7%
MLPs	5.8%	6.0%	-0.3%
Global Infrastructure	10.3%	10.1%	0.2%
Resource Assets	48.8%	50.2%	-1.4%
Low Carbon Energy Equities	5.1%	5.1%	-0.1%
Diversified Commodities	20.6%	20.6%	0.0%
Global Metals & Mining Equities	3.4%	3.2%	0.2%
Steel Equities	3.7%	3.6%	0.2%
Unconventional Oil & Gas Equities	3.6%	4.2%	-0.6%
Oil Services Equities	3.0%	3.6%	-0.6%
Energy Equities	4.3%	4.8%	-0.5%
Agribusiness Equities	5.2%	5.2%	0.0%
Cash	0.2%	0.2%	0.0%

Source: VanEck.

The chart below shows the real asset risk composite that measures extreme risk within real assets using various quantitative signals. The current score is 5.55, which indicates a stable risk regime for real assets.

Overall Risk Score



Source: VanEck.

In our view, there are several key tailwinds for real asset prices – such as high inflation, massive infrastructure spending and relative valuations. The VanEck Inflation Allocation ETF, through its dynamic and diversified approach, may be well situated to continue to benefit from the current environment.

IMPORTANT DISCLOSURES

CPI – US CPI Urban Consumers YoY NSA Index measures US consumer prices (CPI) as a measure of prices paid by consumers for a market basket of consumer goods and services. The yearly (or monthly) growth rates represent the inflation rate.

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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 contains 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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