

Gold Demand Climbs as Top Miners Post Record Q1 Earnings



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Gold Market Performance and Demand Trends

The gold price closed at \$4,617.85 per ounce on April 30, declining \$50.21 per ounce, or 1.08% for the month. Gold mining stocks reflected their typical sensitivity to the gold price. They outperformed during the first half of April as gold reached a monthly high of \$4,841.75 and lagged as prices pulled back later in the month. The MarketVector Global Gold Miners Index (MVGDXTR)¹ declined 3.01%, while the MVIS Global Junior Gold Miners (MVGDXJTR)² fell 1.69%.

According to the World Gold Council's Gold Demand Trends report, global gold demand totaled 1,231 tonnes in Q1 2026, representing a 2% year-over-year increase in volume terms. Higher gold prices contributed to a 74% increase in the dollar value of demand, reaching approximately \$193 billion for the quarter.

Gold's performance over the past two years has coincided with two structural factors working in tandem: persistent central bank buying and robust investment demand across bars, coins, and ETF products.

Central Bank and Investment Demand

Central banks remained net buyers, adding 244 tonnes during the quarter, a 3% increase year-over-year. This occurred despite an increase in reported sales activity, including transactions by Turkey, Azerbaijan's SOFAZ, and the Central Bank of Russia.

Average Annual Total Returns (%) as of April 30, 2026

	1 Mo [†]	1 Yr	5 Yr	10 Yr
Class A: NAV (Inception (2/10/56))	-1.65	95.95	24.34	15.32
Class A: Maximum 5.75% load	-7.30	84.68	22.88	14.64
MVGDXTR Index	-3.01	83.10	22.94	14.71

Average Annual Total Returns (%) as of March 31, 2026

	1 Mo [†]	1 Yr	5 Yr	10 Yr
Class A: NAV (Inception (2/10/56))	-19.48	116.44	26.64	18.90
Class A: Maximum 5.75% load	-24.11	104.00	25.15	18.19
MVGDXTR Index	-21.21	101.89	25.20	17.95

Source: VanEck

The performance data quoted represents past performance. Past performance is not a guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than performance data quoted. Please call 800.826.2333 or visit vaneck.com for performance current to the most recent month ended.

The "Net Asset Value" (NAV) of a Fund is determined at the close of each business day, and represents the dollar value of one share of the fund; it is calculated by taking the total assets of the fund, subtracting total liabilities, and dividing by the total number of shares outstanding. Investors should not expect to buy or sell shares at NAV.

[†] Monthly returns are not annualized. Please note that precious metals prices may swing sharply in response to cyclical economic conditions, political events or the monetary policies of various countries.

Expenses: Class A: Gross 1.31%; Net 1.31%. Expenses are capped contractually until 05/01/27 at 1.45% for Class A. Caps exclude acquired fund fees and expenses, interest, trading, dividends, and interest payments of securities sold short, taxes and extraordinary expenses.

Net demand remained positive, with purchases from countries such as Poland, Uzbekistan, and China, along with newer participants including Guatemala, Cambodia, Malaysia, Serbia, and the UAE.

This pattern may indicate that central bank gold demand remains resilient. Ongoing geopolitical developments, including tensions in the Middle East, have coincided with continued interest in gold as a reserve asset. Some selling activity appears to reflect short-term liquidity needs rather than a shift in long-term reserve strategies.

Gold-backed ETF demand totaled 62 tonnes in Q1, below the 230-tonne inflow seen in the same period last year, as U.S. funds experienced outflows in March. However, overall investment demand was supported by strong bar and coin demand, which surged 42% year-on-year to 474 tonnes. This represents one of the highest quarterly levels on record, with Asian investors driving much of that demand.

Gold has traded at an average price of \$4,780 per ounce since the outbreak of the war with Iran. Strong, regionally diversified central bank buying and resilient investment demand out of Asia continue to underpin demand at these levels. A return of Western investor participation could provide additional support and may contribute to further upside in the gold market.

What Does the Macro Environment Mean for the Gold Outlook?

Recent market volatility may be weighing on investors, but in our view, it is important to look through near-term noise. The dominant macro narrative throughout April has been self-reinforcing: higher oil prices keep inflation expectations elevated; elevated inflation expectations keep the Fed on hold; a Fed on hold keeps real yields elevated; and elevated real yields keep gold under pressure. Against that backdrop, the S&P 500's³ 10.5% gain in April may suggest a degree of optimism that could be tested. We believe investors may need to reassess the risks associated with heightened geopolitical tensions and a potentially prolonged conflict in the Middle East, including its ripple effects on the global economy and, importantly, on inflation.

Inflation Expectations and Real Rates

A key consideration for gold is how inflation expectations are reflected across different measures. The University of Michigan's April survey showed 1-year and 5-year consumer inflation expectations at 4.7% and 3.5%, respectively. In contrast, the 5-year TIPS breakeven rate, a market-based measure, sits at approximately 2.7%, keeping real rates comfortably positive, for now.

Should bond markets begin to close that gap and reflect something closer to what consumers are already anticipating, a "Fed on hold" could quickly translate into near-zero or negative real rates, a backdrop that has typically been among the most favorable environments for gold. In that scenario, gold has historically played a prominent role as a diversifier and potential hedge for investors seeking protection and portfolio diversification. Gold miners, in our view, may be considered as part of a diversified allocation.

Why Are Gold Mining Stocks Undervalued Despite Record Earnings?

Gold mining stocks have historically outperformed the metal itself in a rising gold price environment. However, investors may not need to wait for the next leg higher to start increasing exposure. At current gold prices, these companies are already generating record cash flow, and Q1 2026 earnings are making that abundantly clear. Newmont Corp. (7.8% of Fund Net Assets) and Agnico Eagle Mines Ltd. (10.2% of Fund Net Assets), the world's two largest gold miners, both reported record quarterly earnings. Agnico delivered record operating margins, underpinned by a realized gold price of \$4,861 per ounce against all-in sustaining costs of \$1,483 per ounce. Newmont posted record free cash flow of \$3.1 billion. Both companies met or exceeded production and cost expectations and reaffirmed their full-year 2026 guidance.

Record profitability is funding expanded exploration programs and growth pipelines, while leaving ample room to reward shareholders through sustainable dividend policies and the continuation of meaningful share buyback programs. Both companies ended the quarter with approximately \$3 billion in net cash and strong liquidity positions.

In short, the sector appears to be in strong financial and operational health, by historical standards. Despite these fundamentals, valuations across the gold mining sector remain relatively low compared to historical levels. Current equity prices appear to reflect more conservative assumptions relative to prevailing gold prices. This may indicate potential for re-rating if market conditions remain supportive, although outcomes will depend on broader market factors.

All company, sector, and sub-industry weightings as of April 30, 2026 unless otherwise noted.

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Agnico Eagle Mines Ltd. and Newmont Corp. are holdings of the VanEck International Investors Gold Fund. Holdings may vary.

¹MarketVector Global Gold Miners Index (MVGDXTR) tracks the overall performance of companies involved in the gold mining industry. ²MVIS Global Junior Gold Miners Index (MVGDXJTR) tracks the overall performance of small-capitalization companies that are involved primarily in the mining for gold and/or silver. ³S&P 500® Index consists of 500 widely held common stocks covering industrial, utility, financial and transportation sector.

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About VanEck International Investors Gold Fund: 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 risks which may include, but are not limited to, risks associated with active management, commodities and commodity-linked instruments, commodities and commodity-linked instruments tax, derivatives, direct investments, emerging market issuers, ESG investing strategy, foreign currency, foreign securities, gold and silver mining companies, market, non-diversified, operational, regulatory, investing in other funds, small- and medium-capitalization companies, special risk considerations of investing in Australian and Canadian issuers, subsidiary investment risk, and tax risks (with respect to investments in the Subsidiary), all of which may adversely affect the Fund. Emerging market issuers and foreign securities may be subject to securities markets, political and economic, investment and repatriation restrictions, different rules and regulations, less publicly available financial information, foreign currency and exchange rates, operational and settlement, and corporate and securities laws risks. Small- and medium-capitalization companies may be subject to elevated risks. Derivatives may involve certain costs and risks such as liquidity, interest rate, and the risk that a position could not be closed when most advantageous. Investments in the gold industry can be significantly affected by international economic, monetary and political developments. The Fund's overall portfolio may decline in value due to developments specific to the gold industry.

Diversification does not assure a profit or protect against loss.

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