

Sustaining Strength in a Higher Gold Price Environment



Imaru Casanova

Portfolio Manager

VanEck International Investors Gold Fund

INIVX | IIGCX | INIIX | INIYX

How Sustained High Gold Prices Are Shifting Valuations

Investors continue to ask whether gold prices can rise further from here. We believe that remains likely. We live in a world where a new gold catalyst seems to emerge every month. Market participants, many still watching from the sidelines, have observed gold's relentless rally over the past couple of years and now appear increasingly convinced that these record prices are here to stay.

Even without upward revisions to gold price forecasts, this shift in perception has meaningful implications for gold miners. As confidence builds that gold can remain at elevated levels, the market progressively embeds higher long-term gold price assumptions into equity valuations.

This durability of record or near-record margins and cash flow generation, even if the gold price holds at current levels, is a central driver of our conviction in gold mining equities for 2026.

Gold Miner Margins, Costs and the Math Behind the Opportunity

In a flat gold price environment, margin erosion would need to come from rising production costs. Companies have provided 2026 all-in sustaining cost (AISC) guidance that, so far, aligns with our expectation of roughly a 10-12% increase versus 2025.

Average Annual Total Returns (%) as of February 28, 2026

	1 Mo [†]	1 Yr	5 Yr	10 Yr
Class A: NAV (Inception (2/10/56))	24.67	208.98	32.68	22.39
Class A: Maximum 5.75% load	17.51	191.21	31.12	21.67
MVGDXTR Index*	21.01	195.73	32.22	21.27

Average Annual Total Returns (%) as of December 31, 2025

	1 Mo [†]	1 Yr	5 Yr	10 Yr
Class A: NAV (Inception (2/10/56))	6.71	165.86	19.84	21.50
Class A: Maximum 5.75% load	0.58	150.57	18.43	20.79
GDMNTR Index	5.43	158.28	21.22	21.83

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. 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 1.42%; Net 1.42%. Expenses are capped contractually until 05/01/26 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.

*Index data prior to January 1, 2026 reflects that of the NYSE Arca Gold Miners Index (GDMNTR). From January 1, 2026 forward, the index data reflects that of MarketVector Global Gold Miners Index (MVGDXTR). Not intended for third party use.

The gold price closed at \$5,278.93 per ounce on February 27, up \$384.69 per ounce or 7.86% for the month, and \$959.60 per ounce or 22.22% year to date. The math remains compelling: margins have already expanded year over year, and with estimated average industry AISC below \$2,000 per ounce, the sector demonstrates substantial resilience at current price levels.

These strong fundamentals support our view that gold mining equities are well positioned to outperform the metal again in 2026. The stocks demonstrated strong outperformance in February. The MarketVector Global Gold Miners Index¹ rose 21.01% for the month.

Key Takeaways from the 2026 BMO Global Metals and Mining Conference

We had the opportunity to meet with more than 40 gold mining companies at BMO's 2026 Global Metals and Mining Conference in Hollywood, Florida this past month. Our discussions with producers, developers and royalty and streaming companies reinforced our view that the sector is in a cash-generative, disciplined phase, not a reckless expansion cycle.

Key themes from our meetings included:

- High margins are driving record free cash flow generation, allowing companies to comfortably fund capital needs.
- Returning capital to shareholders, in some cases 40%–50% of free cash flow, through dividends and share buybacks remains a priority.
- With leverage well within target ranges and cash balances building rapidly, companies are focused on avoiding “lazy” balance sheets by accelerating optimization initiatives, expanding exploration programs and advancing project pipelines.
- Abundant capital is likely to revitalize industry activity, which could eventually tighten labor, services, equipment and materials markets. For now, most companies are not experiencing sustained cost pressures, though conditions vary by geography and activity type (e.g., exploration versus construction).
- Scale may prove advantageous in tighter markets. One large producer emphasized that its procurement strength, supplier relationships and reputation position it well to mitigate potential cost pressures.
- Jurisdictional risk management remains front and center. Despite ample capital for M&A, companies are maintaining discipline. Growth for growth's sake is no longer acceptable. Acquisitions must enhance portfolio quality and reduce risk, with geographic exposure a key consideration.
- Permitting remains slow and complex. While governments in the U.S. and Canada have signaled efforts to streamline processes, companies report limited tangible impact on timelines to date, aside from some improvements in jurisdictions such as New Zealand.
- Higher gold prices should ultimately support reserve growth as more ounces become economic, yet companies continue to use conservative gold price assumptions (around \$2,000 per ounce) in reserve calculations.
- In the near term, larger exploration budgets should support reserve growth through resource conversion drilling.
- Over the longer term, increased exploration spending could drive new discoveries. Many companies are expanding drilling programs within existing land packages, favoring organic growth, which is typically more accretive than M&A and supportive of stronger returns on capital.

Why Gold Mining Equities Are Positioned for 2026

Overall, the tone across meetings was constructive and confident. Companies are generating record margins, balance sheets are strong and capital allocation is notably more disciplined than in past cycles. Management teams are prioritizing returns, investing selectively in high-quality growth and advancing projects with greater technical rigor and lower risk.

While permitting hurdles and geopolitical risks remain part of the landscape, the sector appears better positioned than ever, supported by resilient assets, improving operational execution and a clear commitment to long-term value creation.

With free cash flow robust even under conservative gold price assumptions, the sector appears fundamentally well positioned for 2026. If gold prices remain near current levels, or move higher, gold mining equities have both the financial strength and operational leverage to continue outperforming the metal.

All company, sector, and sub-industry weightings as of February 28, 2026 unless otherwise noted.

Nothing in this content should be considered a solicitation to buy or an offer to sell shares of any investment in any jurisdiction where the offer or solicitation would be unlawful under the securities laws of such jurisdiction, nor is it intended as investment, tax, financial, or legal advice. Investors should seek such professional advice for their particular situation and jurisdiction.

¹MarketVector Global Gold Miners Index (MVGDXTR) tracks the overall performance of companies involved in the gold mining industry. NYSE Arca Gold Miners Index (GDMNTR) is a modified market capitalization-weighted index comprised of publicly traded companies involved primarily in the mining for gold.

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. Certain indices may take into account withholding taxes. An index's performance is not illustrative of a Fund's performance. Indices are not securities in which investments can be made.

Investments in commodities can be very volatile and direct investment in these markets can be very risky, especially for inexperienced investors.

MarketVector Global Gold Miners Index is the exclusive property of MarketVector Indexes GmbH (a wholly owned subsidiary of Van Eck Securities Corporation), which has contracted with Solactive AG to maintain and calculate the Index. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards MarketVector Indexes GmbH, Solactive AG has no obligation to point out errors in the Index to third parties. The VanEck Gold Miners ETF is not sponsored, endorsed, sold or promoted by MarketVector Indexes GmbH and MarketVector Indexes GmbH makes no representation regarding the advisability of investing in the Fund.

NYSE Arca Gold Miners Index is a service mark of ICE Data Indices, LLC or its affiliates ("ICE Data") and has been licensed for use by VanEck ETF Trust (the "Trust") in connection with VanEck Gold Miners ETF (the "Fund"). Neither the Trust nor the Fund is sponsored, endorsed, sold or promoted by ICE Data. ICE Data makes no representations or warranties regarding the Trust or the Fund or the ability of the NYSE Arca Gold Miners Index to track general stock market performance.

ICE DATA MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE NYSE ARCA GOLD MINERS INDEX OR ANY DATA INCLUDED THEREIN. IN NO EVENT SHALL ICE DATA HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

Please note that the information herein represents the opinion of the author, but not necessarily those of VanEck, and this opinion may change at any time and from time to time. Non-VanEck proprietary information contained herein has been obtained from sources believed to be reliable, but not guaranteed. Not intended to be a forecast of future events, a guarantee of future results or investment advice. Historical performance is not indicative of future results. Current data may differ from data quoted. Any graphs shown herein are for illustrative purposes only. No part of this material may be reproduced in any form, or referred to in any other publication, without express written permission of VanEck.

Sustainable investing strategies aim to consider and in some instances integrate the analysis of environmental, social and governance (ESG) factors into the investment process and portfolio. ESG investing is qualitative and subjective by nature, and there is no guarantee that the factors utilized by VanEck or any judgment exercised by VanEck will reflect the opinions of any particular investor. Information regarding responsible practices is obtained through voluntary or third-party reporting, which may not be accurate or complete, and VanEck is dependent on such information to evaluate a company's commitment to, or implementation of, responsible practices. Socially responsible norms differ by region. There is no assurance that the socially responsible investing strategy and techniques employed will be successful. An investment strategy may hold securities of issuers that are not aligned with ESG principles.

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, derivatives 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.

Investing involves substantial risk and high volatility, including possible loss of principal. An investor should consider the investment objective, risks, charges and expenses of a fund 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.

©2026 VanEck



Van Eck Securities Corporation, Distributor
A wholly-owned subsidiary of Van Eck Associates Corporation

666 Third Avenue | New York, NY 10017
vaneck.com | 800.826.2333

Exchange-Traded Funds
Mutual Funds
Institutional Funds
Model Delivery
Separately Managed Accounts
UCITS Funds
UCITS Exchange-Traded Funds