

Commodities Find Their Balance: Strength in Selectivity



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GHAAX

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Commodities Diverge as Fundamentals and Policy Drive Outcomes

Commodity markets were mixed in the third quarter. Energy eased on apparent ample supply as OPEC+ continued to restore production cuts, while gold and precious metals benefited from safe-haven demand. Base metals diverged—copper held firm on supply tightness, whereas steel and aluminum were more swayed by economic and trade policy headlines. Agriculture was range-bound amid robust harvests and competitive exports, and paper/forest products reflected shifting trade measures and producer pricing actions. Renewables activity remained solid, though higher financing costs and policy uncertainty continued to weigh on sentiment.

For investors, resilience mattered: companies with low costs, healthy balance sheets, and disciplined capital allocation were better positioned against price swings and policy shifts.

Sector Performance Recap

- **Oil & Gas** – Crude drifted as OPEC+ signals remained in focus. Natural gas also moved lower but finished stronger, with LNG demand beginning to ramp up and supporting additional gas consumption. Discipline and low break-evens remained key advantages for producers and midstream.
- **Base & Industrial Metals** – Copper prices strengthened after supply disruptions at major mines highlighted the sector's fragile balance. Miners with visible production growth and clean balance sheets were rewarded, while smelter-heavy businesses felt the squeeze. By contrast, steel and aluminum were shaped more by trade policies and tariff developments, which added volatility without significantly improving fundamentals.
- **Gold & Precious Metals** – Gold rose to new highs, supported by investor demand amid expectations of lower interest rates and a softer U.S. dollar. Producers benefited from higher prices and continued to emphasize cost control and steady capital returns. The sector's strong cash generation kept attention on growth pipelines and balance-sheet discipline.

Average Annual Total Returns (%) as of September 30, 2025

	3Q 25*	YTD	1 Yr	5 Yr	10 Yr
Class A: NAV (Inception 11/02/94)	12.74	27.78	17.33	13.42	6.46
Class A: Maximum 5.75% load	6.26	20.43	10.59	12.09	5.84
SPGNRUN Index ¹	9.36	20.76	6.39	13.56	9.71
SPGINRTR Index ²	11.72	17.38	14.63	24.03	9.21

The table (left) presents past performance which is no guarantee of future results and which may be lower or higher than current performance. Returns reflect applicable fee waivers and/or expense reimbursements. Had the Fund incurred all expenses and fees, investment returns would have been reduced. Investment returns and Fund share values will fluctuate so that investor's shares, when redeemed, may be worth more or less than their original cost. Fund returns assume that dividends and capital gains distributions have been reinvested in the Fund at NAV. Index returns assume that dividends from index constituents have been reinvested. Investing involves risk, including loss of principal; please see disclaimers on last page. Please call 800.826.2333 or visit vaneck.com for performance current to the most recent month end.

*Returns less than one year are not annualized.

Expenses: Class A: Gross 1.49%; Net 1.38%. Expenses are capped contractually until 05/01/26 at 1.38% for Class A. Caps exclude acquired fund fees and expenses, interest, trading, dividends, and interest payments of securities sold short, taxes and extraordinary expenses.

- **Agriculture** – Ample grain supply and resilient South American exports kept a lid on prices. Fertilizer demand stabilized into fall applications, supporting potash and phosphate dynamics, while proteins and processors continued to adapt to shifting cost and consumption patterns.
- **Paper & Forest Products** – Lumber prices dropped early in the quarter due to oversupply but rebounded after new U.S. tariffs on wood products. Pulp markets strengthened as leading producers announced price increases, supporting sentiment in the sector. The combination of trade actions and producer discipline helped improve the outlook for North American and Latin American suppliers.
- **Renewables & Alternative Energy** – Installations progressed, with solar and storage remaining active, but equities were sensitive to incentive visibility and the cost of capital. Balance-sheet strength and execution remained the key differentiators.

Portfolio Performance: Drivers and Detractors

The Global Resources Fund (Class A; excluding fees and expenses, the “Fund”) returned 12.74% in the third quarter of 2025, outperforming its benchmark, the S&P Global Natural Resources Index (the “Index”), which returned 9.36%. Year-to-date, the Fund returned 27.78%, ahead of the Index’s 20.76% return over the same period.

On an absolute basis, the top contributors to Fund performance were positions in Gold & Precious Metals—particularly gold producers, which benefited from record bullion prices—and Base & Industrial Metals, led by copper-related holdings. Integrated oil companies and refiners also added to returns amid steady product margins. Detractors included fertilizer producers and select oil and gas exploration companies that lagged on weaker commodity pricing.

Relative to the Index, the Fund benefited from strong security selection and overweight positioning within Gold & Precious Metals, as well as a significant underweight in Paper & Forest, where benchmark constituents declined. However, performance was hindered by overweight exposure and weaker selection in Agriculture, where fertilizer names underperformed despite stable volumes. Modest underweights in oilfield services also weighed slightly on relative results.

Top Contributors/Detractors

Contributors:

Company	Sub-Sector	Fund Weight	Estimated Contribution	Rationale
Kinross	Gold & Precious Metals	3.37%	1.55%	Record gold, strong momentum, \$500m buyback/dividend, and steady project progress at Great Bear, Tasiast, Paracatu.
Barrick	Gold & Precious Metals	2.93%	1.25%	Record gold, portfolio upgrades, Hemlo sale, Fourmile progress, higher Q2 output, and stronger cash flow momentum.
Gold Fields	Gold & Precious Metals	2.19%	1.13%	Record bullion, higher profits and dividend, Salares Norte ramp improving growth visibility and investor confidence.

Detractors:

Company	Sub-Sector	Fund Weight	Estimated Contribution	Rationale
FMC Corp	Agriculture	1.79%	-0.46%	Lagged on channel destocking, weak LATAM demand, litigation, and soft 2025 guidance.
Kirby Corp	Industrials & Utilities	1.11%	-0.36%	Weakened after downgrade, with low Mississippi levels raising costs, constraining barge traffic.
Freeport McMoRan	Base & Industrial Metals	2.79%	-0.29%	Underperformed on Grasberg mudslide shutdown, force majeure, and reduced sales outlook.

Source: VanEck, FactSet. Data as of September 30, 2025.

Notable Portfolio Changes

During the quarter, the team added to and exited some of its Base & Industrial Metals exposure, while also exiting positions in Agriculture.

Notable Adds:

Company	Sub-Sector	Fund Weight	Rationale
Northam Platinum	Gold & Precious Metals	0.91%	Rising platinum prices and operational turnaround offer leveraged exposure to tightening PGM market fundamentals.
Ivanhoe Electric	Base & Industrial Metals	0.67%	A U.S. copper developer rapidly de-risking its Santa Cruz project in Arizona, targeting 2028 production.
WaterBridge Infrastructure	Industrials & Utilities	0.71%	Expanding Delaware Basin water-midstream network under long-term contracts provides resilient, inflation-linked infrastructure cash flows.

Notable Exits:

Company	Sub-Sector	Fund Weight	Rationale
MP Materials	Base & Industrial Metals	(not held)	U.S. support for MP—loan, equity stake, premium offtake—drove valuation to unsustainable levels, prompting our exit.
Bunge	Agriculture	(not held)	Exited before 2Q earnings, expecting weak crush margins and Viterra integration risks to pressure results.
BHP	Base & Industrial Metals	(not held)	Falling iron-ore margins and cost inflation eroded returns, prompting reallocation toward higher-growth resource exposures.

Source: VanEck, FactSet. Data as of September 30, 2025. Not a recommendation to buy or sell any securities referenced herein. Estimated contributions are sourced from FactSet and are not intended as a predictor or guarantee of future results, and are for illustrative purposes only. Portfolio compositions are subject to change at any time.

Tight Supply and Electrification Keep Fundamentals Supportive

We remain constructive on resource equities given tight supply in select commodities, disciplined industry behavior, and secular demand tied to electrification, grid investment and data-center build-out. Three themes shape our view:

- Secular load growth from AI/data centers, EVs and broader electrification is reshaping energy and metals demand; in the near term, natural gas continues to bridge power needs as grids adapt.
- Security of supply and consolidation are front and center in mining and energy; scale and optionality can support re-ratings as companies optimize portfolios and capital returns.
- Slow supply response, especially in copper and other “transition” metals, underpins medium-term fundamentals given multi-year project lead times and rising permitting hurdles.

Risks we’re watching include trade/tariff policy, power generation uptake, China’s growth trajectory, rate paths and geopolitics—each capable of elevating volatility even in constructive setups. On balance, we see attractive valuations, robust cash generation and durable secular tailwinds that support a long-term allocation to resource equities.

Important Disclosures

All holdings and data are as of September 30, 2025.

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The S&P Global Natural Resources (SPGNRUN)¹ Index (the "Index") includes 90 of the largest publicly-traded companies in natural resources and commodities businesses that meet specific investability requirements, offering investors diversified and investable equity exposure across 3 primary commodity-related sectors: agribusiness, energy, and metals & mining. S&P North American Natural Resources Sector (SPGINRTR)² Index provides investors with a benchmark that represents U.S. traded securities that are classified under the GICS® energy and materials sector excluding the chemicals industry; and steel sub-industry.

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