

Green Momentum Builds in Natural Resources

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VanEck Global Hard Assets Fund

GHAAX / GHACX / GHAIX / GHAYX

Accelerating Recovery for Commodities

The commodity price rally experienced throughout much of the third quarter accelerated significantly in the last quarter of 2020. Demand shock and optimism of a hastened recovery pushed several commodities to new highs while, in most cases, helping prices reach levels unseen since before the pandemic. Though a number of factors underpinned this acceleration, China—the most commodity-intensive country on the demand side—continued to recover much faster than anticipated. In addition, hopes around various COVID-19 vaccines in the U.S., EU, China, U.K. and Japan allayed fears over a prolonged recovery while continued central bank easing and an array of fiscal stimulus packages supported the near-term growth outlook.

Red and Green For the Holidays

Industrial metals were perhaps the most positively impacted by an uptick in global economic activity during the quarter. Copper benefited not least from resulting strong demand—from China and renewable energy markets, broadly—but also due to global supply shortages of the red metal. Infrastructure projects in China were among the largest drivers of steel, too, where production of the commodity reached all-time highs.

Renewable energy markets received massive confidence boosts from advancements in “green” initiatives, including both a European Parliament endorsement in October of 2050 net carbon neutrality goals for member countries—outlining aggressive emissions reduction targets by 2030—and, in November, a pro-clean-energy Biden Administration victory in the 2020 U.S. presidential election.

Strength in these two markets were, once again, reflected in our top performing holdings, which included copper companies

Average Annual Total Returns (%) as of December 31, 2020

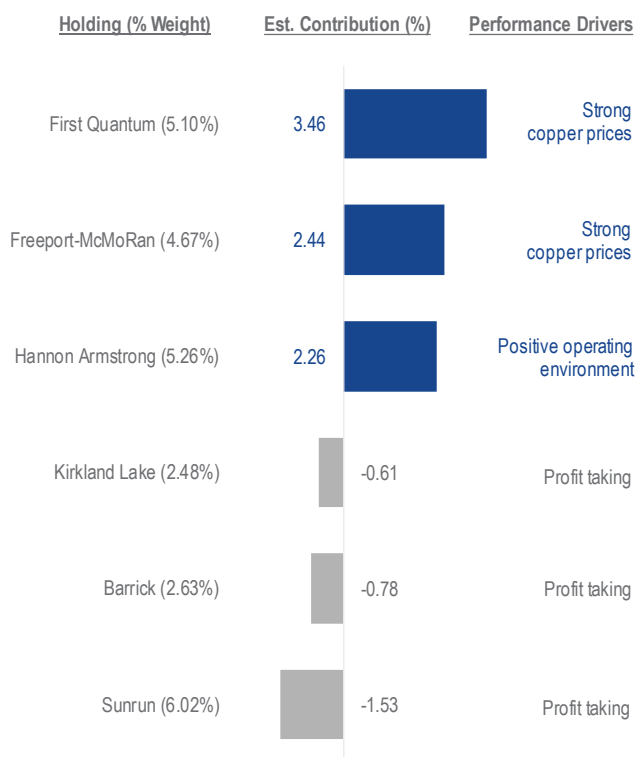
	4Q20 [†]	YTD	1 Yr	5 Yr	10 Yr
Class A: NAV (Inception 11/2/94)	23.37	18.68	18.68	5.71	-3.92
Class A: Maximum 5.75% load	16.28	11.86	11.86	4.47	-4.49
SPGINRTR Index ¹	18.93	-19.01	-19.01	-0.08	-2.83
M2WDCOMP Index ²	24.99	-11.61	-11.61	6.38	-1.94

The table 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 Net Asset Value (NAV). Index returns assume that dividends from index constituents have been reinvested. Investing involves risk, including possible loss of principal; please see disclaimers on the last page. Please call 800.826.2333 or visit vaneck.com for performance current to the most recent month end.

¹Quarterly returns are not annualized. Expenses: Class A: Gross 1.60%; Net 1.38%. Expenses are capped contractually until 05/01/21 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.

First Quantum Minerals Ltd. (5.1% of Fund net assets) and Freeport-McMoRan Inc. (4.7% of Fund net assets) and renewable energy project financier (i.e., “green bank”) Hannon Armstrong Sustainable Infrastructure Capital (5.3% of Fund net assets). While residential solar company Sunrun (6.0% of net assets) was also a detractor, along with gold companies Barrick Gold (2.6% of net assets) and Kirkland Lake Gold (2.5% of net assets), we view these losses as fueled predominately by profit taking following strong performance over the nine-month period leading up to then.

Top Quarterly Contributors/Detractors



Source: FactSet; VanEck. Data as of December 31, 2020. Contribution figures are gross of fees, non-transaction based and therefore estimates only. Figures may not correspond with published performance information based on NAV per share. Past performance is not indicative of future results. Portfolio holdings may change over time. These are not recommendations to buy or sell any security.

Oil Turning a Corner?

In a very welcome turnaround following a year marked by (generally speaking) lackluster performance, the oil and gas sector had an encouraging fourth quarter. The Dallas Fed Energy Survey for Q4 2020 noted positive quarter-over-quarter business activity for the first time since Q1 2019, with modest increases in capital expenditure from oil and gas exploration and production (E&P) companies as well as from oilfield servicers. According to E&P executives surveyed, oil production also appears to have stabilized in the region after three consecutive quarters of decline.

Heyday for Grains

Once again, grains (soybeans, corn and wheat) rallied during the quarter—perhaps not surprisingly given China’s ongoing purchase of U.S. agriculture goods. Although the country has done a great job ramping up its hog herd, China remains one to two years away from its pre-Asian Swine Flu supply levels. As it rebuilds its hog herd, production facilities are aiming to

achieve higher, institutional-level standards of production with new hogs now being fed more corn and soybean rations than in prior years. This has translated to increased demand for U.S. grains, which, we believe, should continue to outpace prior years’ demand even after China has finished rebuilding their hog population given the country’s recently established trade agreement with the U.S. While related agriculture equities continued to lag during the quarter, we do believe this to be temporary in nature given the cost adjustments that typically follow such an increase in demand and associated input prices.

Hoping For More Of The Same In 2021

Our positioning remains relatively unchanged. We anticipate a modest pick-up in global economic activity in the coming months as central banks target further global stimulus measures and as COVID-19 vaccines are disseminated more broadly. We also believe that commodity prices should continue to reflect the mounting inflationary pressures associated with such historic, unprecedented fiscal and monetary policy. Thus, we continue to maintain exposure to inflation-sensitive assets such as base and industrial metals and oil and gas (via the producers themselves). We also remain constructive on the gold mining sector as companies have exhibited an increasing propensity to return cash to shareholders with gold prices stabilizing well above average all-in sustaining cost and as companies still enjoy significant free cash flow. Finally, the European Union’s “Green Deal” and similarly anticipated sustainable initiatives in the U.S. have proved, we believe, to be both near- and long-term growth catalysts for the renewable/alternative energy sector moving forward.

All company, sector, and sub-industry weightings as of December 31, 2020 unless otherwise noted. This is not an offer to buy or sell, or a solicitation of any offer to buy or sell any of the securities mentioned herein. Fund holdings will vary.

All indices listed are unmanaged indices and include the reinvestment of 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. 1 S&P North American Natural Resources Sector (SPGINRTR) 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. 2 MSCI ACWI Commodity Producers Index (M2WDCOMP) is a free float-adjusted market capitalization index designed to reflect the performance of listed commodity producers across three industry (or sub-industry) categories as defined by the Global Industry Classification Standard: energy, metals, and agriculture.

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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 associated with concentrating its investments in Canadian issuers, commodities and commodity-linked derivatives, commodities and commodity-linked derivatives tax, derivatives, direct investments, emerging market securities, foreign currency transactions, foreign securities, other investment companies, management, market, operational, small- and medium-capitalization companies and hard assets sectors risks, including, precious metals and natural resources, that can be significantly affected by events relating to these industries, including international political and economic developments, inflation, and other factors. The Fund's portfolio securities may experience substantial price fluctuations as a result of these factors, and may move independently of the trends of industrialized companies. 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.

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