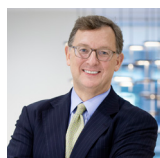


Resources Balancing Transition, Inflation and Supply Woes



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GHAAX | GHACX | GHAIX | GHAYX

Mind the Gap in Commodities and Resource Equities

There was a stark divergence between the performance of commodities and resource equities in the third quarter. On the one hand, commodities (as measured by the Bloomberg Commodity Index¹) rallied to six-year highs off August's lows while, on the other hand, resource equities (as measured by the S&P Global Natural Resources Index²) gave back nearly all of their second quarter gains during September. Both commodities and resource equities battled with a more muted global growth outlook on the heels of anticipated tapering in the fourth quarter, a strong resurgence of COVID-19 cases and forced industrial slow-downs associated with growing energy crises in China and Europe. However, ongoing supply shortages continued to provide a relatively stable floor for most commodities. As well, year-over-year inflation in the U.S. and Europe was persistently strong during the quarter, running well above long-term averages, outpacing most forecasters' expectations, and lending further credibility to the viewpoint that this may be more than just a "transitory" phenomenon for commodity prices.

Higher energy costs and supply chain complications were predominate factors driving relative underperformance of resource equities, broadly. Concerns over China also played a role, as the government's tightening grip over multiple industries (such as ecommerce, cryptocurrency, building materials and real estate) called into question the stability of the country's current economic model and obscured the generally bullish outlook many commodity producers have had for longer-term growth opportunity there. On the plus side, sustained higher oil prices aided U.S. oil and gas producers—allowing for expanded margins, increased free cash flow, and, for some, the ability to return record amounts of capital to shareholders.

Average Annual Total Returns (%) as of September 30, 2021

	3Q 21*	YTD*	1 Yr	3 Yr	5 Yr	10 Yr
Class A: NAV (Inception 11/02/94)	-6.97	10.65	36.52	3.76	1.09	-0.35
Class A: Maximum 5.75% load	-12.32	4.29	28.67	1.73	-0.10	-0.93
SPGINRTR Index ³	-2.48	29.43	53.93	-1.91	0.68	1.83

The tables above present 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 1.62%; Net 1.38%. Expenses are capped contractually until 05/01/22 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.

Oil and Gas Markets Get Energized

A rapprochement between Saudi Arabia and United Arab Emirates (UAE) at OPEC’s July meeting came as a surprise to most—especially considering the contentious nature of their previous interaction which eventually led to the postponement of a subsequent meeting. The cartel’s ultimate decision to stick to its previously agreed-upon output increase until the spring of 2022 somewhat calmed oil markets. However, it also brought to the forefront a number of other pressing fundamental issues, including the long-term underinvestment in new supply and the potential for a rapid rebound in demand.

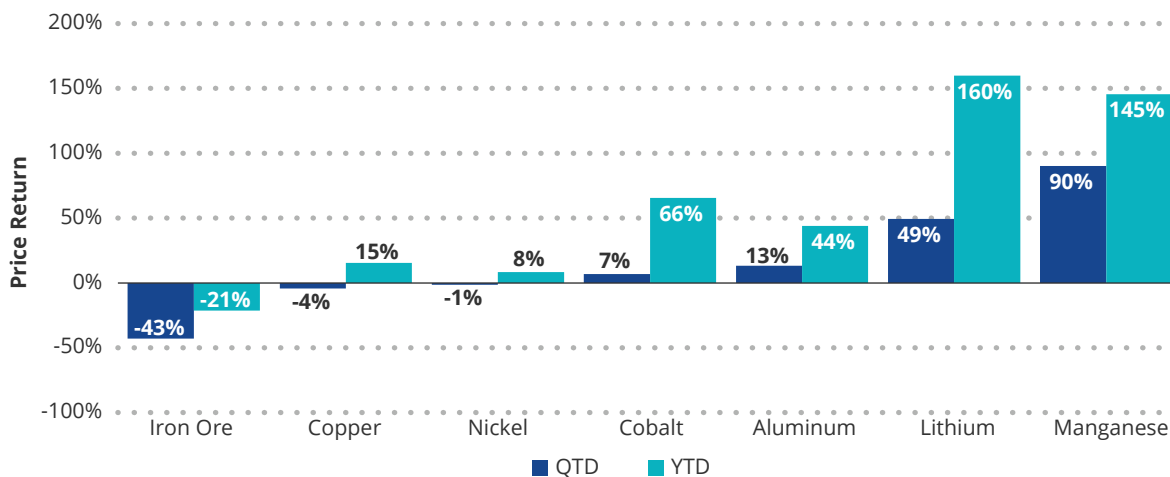
Similar supply and demand disparities also propelled natural gas prices (Henry Hub natural gas spot prices were up \$1.90 since end-June—an approximately 58% gain on the quarter). Cold winters in Asia and Europe last year left countries around the world scrambling to refill inventories before this coming winter. However, shuttered coal-fired power plants (in China) and a lack of strong winds (for most of Europe’s wind turbines) have left limited options in terms of switching. The rise in natural gas prices also precipitated a spillover effect into fertilizer markets, too (natural gas is utilized in the production of ammonium nitrate and urea), where prices were dealt a dual blow following earlier hurricane-fueled supply disruptions at one of the world’s largest urea producers, CF Industries (not held by the Fund).

Somewhat puzzlingly—particularly amid the pressure felt in oil and gas markets—renewable energy equities continued to take a pause. Hiccups in on-time project development and equipment sales (due to a shortage of semiconductors) dampened optimism for renewable energy equipment providers in the short term. Additionally, lack of full bipartisan support for President Biden’s proposed infrastructure bill has, likely, muted an otherwise potentially stimulative effect seen from a unified front on U.S.’s largest climate change initiative.

Battery Minerals Power Forward

Most base and industrial metals experienced a slight pullback after reaching decades-long highs through the end of the second quarter (for most copper producers, too, this actually marked the first time since the first quarter of 2020 that they turned in negative quarterly returns). However, in September, aluminum prices briefly hit \$3,000 per tonne for the first time since 2008 as a number of converging supply-side factors—including Chinese government mandated production curbs to allay energy intensity concerns—raised some doubts over the industry’s ability to meet increased demand through 2022. Additionally, prices of key battery minerals – including cobalt, lithium and manganese – continued to see support from supply tightness and steadily rising demand.

Battery Minerals Are Still Going Strong...



Source: Bloomberg. Data as of September 30, 2021. Returns calculated based on month-end spot prices for the quarter-to-date (“QTD”, June 2021 to September 2021) and year-to-date (“YTD”, December 2020 to September 2021) time periods. Past performance is not indicative of future results.

Major Dealings in Gold

Divergent factors steered gold in opposing directions throughout most of the quarter. At times, persistent inflationary concerns and general market tepidness pushed prices upwards while, at other times, dollar strength and looming rate hikes (in 2022) pulled them downwards. Perhaps the biggest news in gold markets during the quarter was a deal announced in September that, once approved, would combine Kirkland Lake (2.15% of Fund net assets) with Agnico Eagle Mines (1.91% of Fund net assets) to create the world’s third largest gold company behind Barrick (1.80% of Fund net assets) and Newmont (2.39% of Fund net assets). At 3.5 million ounces per year, the new Agnico does not rise to the level of a “super-major” (typically producing five to six million ounces per year). However, the combined entity still sets itself apart from others in terms of its potential for realizable cost efficiencies and low geopolitical risk profile, with 75% of production coming from Canada and the remainder from Finland, Australia and Mexico.

Portfolio Positioning and Performance

The Fund underperformed the S&P North American Natural Resources Sector Index³ on the quarter, returning -6.97% versus -2.48%, respectively, during the three month period. The largest detractors from absolute (and relative) performance were from the Renewable & Alternatives and Base & Industrial Metals sectors, while the largest absolute contributors came from the Oil & Gas sector.

While there were no major changes to overall positioning during the quarter, the Fund did enter into a new position in the fertilizer space, Mosaic Co. (1.13% of Fund net assets). Mosaic currently trades at a deep discount to its long-term average and versus its closest competitors as, we believe, the market has yet to realize the potential efficiency gains afforded to the company by its transition away from its K1 and K2 potash mine production operations to its new K3 mine site at Esterhazy. As the largest domestic producer of phosphate (and second largest producer of potash behind Nutrien—3.48% of Fund net assets) we believe that the company also stands to benefit from general supply tightness, which has facilitated a favorable macroeconomic outlook for fertilizers heading into 2022.

Top Quarterly Contributors

Holding	Weight	Estimated Contribution	Comment
Devon Energy	2.85%	0.57%	The company's variable dividend* policy has been widely lauded by the market as one of the most sensible approaches to return of capital for U.S. E&Ps today—particularly with oil prices retaining their near-term strength, helping to expand margins and freeing up extra cash for companies with low-to-zero net debt.
Chart Industries	2.34%	0.55%	Chart Industries is gaining visibility after a slew of strategic acquisitions and partnerships that has helped the company establish itself as one of the predominate players in the global energy transition. Its multi-pronged approach provides exposure across the value chain—including via emerging hydrogen and carbon capture technologies as well as through more traditional markets such as liquid natural gas.
Cimarex	3.18%	0.54%	Cimarex's and Cabot's announced merger was eventually viewed by the market as synergistic. Cimarex's oil-heavy acreage in West Texas and Cabot's gas-rich shale plays in the Marcellus are highly complementary, and both markets should continue to benefit from perceived supply tightness for traditional fuels over the near-term.

Top Quarterly Detractors

Holding	Weight	Estimated Contribution	Comment
Stem Inc.	3.16%**	-1.37%	Stem investors who participated in the company's original SPAC offering were rewarded with an accelerated call on their outstanding warrants (trading well in-the-money at the stock's current share price). However, the company's decision was also dilutive to common shareholders, who opted to take some profits as the market's appetite for growth stocks slowed during the quarter.
First Quantum	3.36%	-0.82%	Negative performance was mostly a result of profit taking as copper prices continued to retrench from all-time highs and as the company came off its fifth consecutive quarter of positive gains.
Sunrun	2.83%	-0.68%	The macroeconomic backdrop for renewables remains somewhat in flux as policy debate over a green infrastructure deal continues to drag on in the U.S. As well, some speculative investors capitulating on growth stocks have pivoted off renewables, as persistent inflationary pressures and supply tightness have proved more of a catalyst for traditional oil & gas producers in the shorter-term.

Source: FactSet, VanEck. Data as of September 30, 2021. *Variable dividend: Tied to the strength of oil and/or gas prices and “carved out” from free cash flow, allowing investors to participate directly in a rising oil price environment. **Includes portfolio's weighting in common shares of Stem Inc. as well as in restricted shares of special purpose acquisition company Star Peak Energy Corp. 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.

Moving Forward: “Greenflation” and Other Opportunities

The energy transition is well underway with emerging opportunities across a variety of global resource equity sectors. Supply chain transparency and security are becoming increasingly important as only a finite number of minerals and materials are available to support current transition efforts over the next several decades. In our view, accelerated plans to meet aggressive emissions reduction targets or other sustainability goals will likely only lead to much higher commodity and raw materials prices over the medium-to-longer term—particularly as low interest rates and government-subsidized growth become a thing of the past. As they say, you can print money but you can't print commodities...

While the likelihood of faster-than-anticipated adoption rates of solar seems entirely feasible – with its strong policy support, low cost of capital and exponential efficiency gains through technological innovation – the balance of world's current energy mix would still need to shift dramatically in order to completely phase out traditional energy markets. To us, and for now, this has allowed the door to remain open for the use of oil and gas. Interim fixes via other alternatives like hydrogen, geothermal or biofuels seem conceivable too, though would likely still require their own major outlay of resources in order to reach scale.

As noted, we believe that global emissions remain an issue best addressed from multiple vantage points. In this regard, a number of potentially extremely impactful opportunities within the agriculture sub-sector remains intriguing to us. We continue to explore opportunities within some of the more nascent agriculture technology markets such as alternative proteins, precision agriculture and vertical farming, where we believe the longer-term structural growth story is currently being underappreciated by the market.

Prior to May 1, 2021, the fund was known as the VanEck Global Hard Assets Fund.

All company, sector, and sub-industry weightings as of September 30, 2021 unless otherwise noted.

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¹Bloomberg Commodity Index is designed to be a highly liquid, diversified benchmark for commodities as an asset class. The Bloomberg Commodity Index is composed of futures contracts on 20 physical commodities. ²S&P Global Natural Resources 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 three primary commodity-related sectors: agribusiness, energy, and metals & mining which tracks the global natural resources and commodities businesses. ³S&P North American Natural Resources Sector 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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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, global resources sector, other investment companies, management, market, operational, small- and medium-capitalization companies and special purpose acquisition 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.

Diversification does not assure a profit or protect against loss.

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