Second Quarter 2025

Staying the Course: Navigating a Volatile Q2 in Commodities

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Q2 2025 Commodities & Resource Equities: Resilience Through Uncertainty

Commodities and resource equities remained resilient in Q2 2025, navigating a complex macroeconomic and geopolitical backdrop. Oil markets experienced pronounced volatility, driven by evolving OPEC+ supply dynamics and heightened geopolitical risk. Gold outperformed, reaffirming its status as a safe-haven asset amid global uncertainty. Industrial metals, however, came under pressure due to softer demand trends—particularly from China's industrial sector.

Resource equities delivered a mixed performance, though the broader sector continued to reflect key investment strengths: robust operational execution, disciplined capital allocation, and an ongoing commitment to shareholder returns. While investor sentiment remained cautious—shaped by persistent macro and policy uncertainty—the underlying fundamentals and long-term value drivers in the space remain intact.

Sector Performance Recap

- **Oil & Gas** – Oil markets experienced significant volatility in Q2. Crude prices fell to four-year lows in early May but rebounded sharply following the strikes against Iran's nuclear infrastructure. These gains were short-lived, however, as the subsequent de-escalation redirected market focus to weakening global demand and OPEC+'s gradual rollback of voluntary production cuts. U.S. shale producers maintained a conservative approach to capital expenditures amid margin compression and elevated input costs driven by new tariffs. In contrast, U.S. refiners outperformed thanks to robust shareholder return strategies and firm capital discipline.
- **Base & Industrial Metals** – Base metal prices delivered mixed results. Copper traded near multi-month highs, supported by ongoing supply constraints and relatively stable demand from China. U.S. exchange inventories fell to their lowest levels in nearly two-year, driven by pre-tariff stockpiling and persistent mining disruptions. Supply remains tight due to project delays at major developments, while Chinese smelters face margin compression from historically low treatment and refining charges. In the iron ore market, resilient steel production and declining Chinese port inventories offered bullish signals, but broader macroeconomic concerns—including trade and property sector instability—kept prices under pressure.

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

	2Q 25*	YTD	1 Yr	5 Yr	10 Yr
Class A: NAV (Inception 11/02/94)	5.47	13.34	5.39	14.90	1.90
Class A: Maximum 5.75% load	-0.60	6.82	-0.67	13.55	1.30
SPGNRUN Index[1]	3.26	10.42	0.60	11.98	5.98
SPGINRTR Index[2]	-1.93	5.07	3.64	19.42	5.69

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.

- **Gold & Precious Metals –** Gold prices remained robust, briefly dipping below $3,000/oz in April amid a risk-on rally before swiftly recovering. Gold equities generally outperformed the metal, supported by stable all-in sustaining costs (AISC) and strong free cash flow generation. Producers capitalized on favorable price conditions to strengthen balance sheets—reduce debt, enhance dividend payouts, and pursue strategic M&A activity. Recent consolidation trends have created opportunities for operational synergies and reserve replacement.
- **Renewables & Alternatives** – The renewable energy sector continued to demonstrate modest growth in Q2 2025, though emerging policy and macroeconomic headwinds have raised new uncertainties. China remained the global leader, installing a record 60 GW of solar capacity, while the U.S. added 10 GW of battery storage in Q1 alone. However, proposed U.S. federal policy changes—such as potential reductions to production and investment tax credits, and the introduction of excise taxes on solar and wind—pose risks to project costs and development pipelines. Elevated interest rates and capital costs continue to challenge equipment manufacturers and independent power producers.
- **Agriculture/Paper & Forest Products** – The agricultural sector presented a mixed outlook. Grain markets remained under pressure, with corn and soybean prices falling below breakeven levels for many U.S. farmers, despite generally favorable growing conditions. Margins continued to be compressed by rising input costs and ongoing trade policy uncertainty. Fertilizer prices surged, driven by supply disruption in the Middle East. Conversely, protein markets showed relative strength as tight supplies of cattle, hogs and chickens supported higher prices across beef, pork and poultry. Nonetheless, packaged food producers faced pressure from elevated production costs, tariff-induced input inflation, and subdued consumer demand.

Portfolio Performance: Drivers and Detractors

The Global Resources Fund (Class A; excluding fees and expenses, the "Fund") returned 5.47% in the second quarter of 2025, outperforming its benchmark, the S&P Global Natural Resources Index (the "Index"), which returned 3.26%. Year-to-date, the Fund has returned 13.34%, also ahead of the Index's 10.42% return over the same period.

On an absolute basis, the top contributors to Fund performance were positions in Base & Industrial Metals—notably copper producers and diversified miners—as well as Gold & Precious Metals producers. Fertilizer companies within Agriculture also added to returns. Detractors included Oil & Gas and Paper & Forest positions, with integrated oil and gas producers accounting for the largest declines.

Relative to the Index, the Fund benefited from strong security selection within Base & Industrial Metals, an underweight allocation and effective selection in Oil & Gas, and an overweight in Renewables & Alternatives. However, performance was negatively impacted by selection and interaction effects in Agriculture.

Top Contributors/Detractors

Contributors:

Company	Sub-Sector	Fund Weight	Estimated Contribution	Rationale
Kinross Gold	Gold & Precious Metals	2.77%	0.68%	Benefited from strong gold prices, improving earnings outlook
Corteva	Agriculture	3.15%	0.56%	Operational efficiency and favorable commodity pricing
Nutrien	Agriculture	3.00%	0.53%	Margin expansion from rising fertilizer prices

Detractors:

Company	Sub-Sector	Fund Weight	Estimated Contribution	Rationale
Exxon Mobil	Oil & Gas	4.31%	-0.53%	Impacted by weaker refining margins and lower oil prices
Chevron	Oil & Gas	2.17%	-0.45%	Earnings declined due to falling crude prices
Tyson Foods	Agriculture	1.86%	-0.30%	Losses in beef segment and legal settlement expenses

Source: VanEck, FactSet. Data as of June 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
JSW Steel	Base & Indus. Metals	0.76%	One of India's largest private steel producers, JSW posted strong results with EBITDA growth driven by rising volumes. We expect Indian steel capacity to double over the next decade, positioning JSW for long-term growth.
Cameco	Base & Indus. Metals	0.83%	As the world's second-largest uranium producer, Cameco holds key downstream assets—such as refining and fuel manufacturing—where supply tightness is concentrated. These assets are a major valuation driver.
Antofagasta	Base & Indus. Metals	0.30%	Chilean copper producer with four mines. Growth is expected from the Zaldivar mine. Barrick (2.07% of Fund assets) is considering selling its stake, potentially leading to strategic repositioning and optimization.

Notable Exits:

Company	Sub-Sector	Fund Weight	Rationale
US Steel	Base & Indus. Metals	(exited)	Exited following the Nippon Steel acquisition offer ($55/share) and perceived limited additional upside after meeting our price target.
Nucor	Base & Indus. Metals	(exited)	After benefiting from domestic policy tailwinds, we rotated out in favor of European opportunities, which now offer more compelling upside.
Ingredion	Agriculture	(exited)	Exited due to margin pressures from rising corn prices (+6% y/y) and potential demand headwinds from RFK's proposed SNAP reforms impacting sugar-laden food sales.

Source: VanEck, FactSet. Data as of June 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.

From Policy Shifts to Price Signals: Key Market Drivers and Sector Impacts for the Second Half

The U.S. dollar is expected to remain under pressure, with downside driven by renewed tariff threats and growing concerns over fiscal sustainability. The passage of Trump's "Big Beautiful Bill" could further widen budget deficits. Historically, a weaker dollar has supported higher commodity prices—a dynamic we expect to persist into the second half of 2025.

Geopolitical risk remains elevated, particularly in the Middle East. Although a ceasefire with Iran is currently in place, its long-term viability is uncertain. We believe a 5%–10% risk premium is currently warranted for oil prices until a lasting resolution is achieved or market fundamentals regain control. Importantly, the distinction between oil at $60–$65 versus $55 is critical for high-cost producers and exploration-intensive firms. The current environment favors well-capitalized oil and gas companies with low break-even points, healthy balance sheets, robust profitability, and attractive shareholder return profiles via dividends and buybacks.

In the metals space, companies are benefiting from improved operational efficiency and resilient commodity prices. Meanwhile, volatility continues to plague the renewables sector as clarity around tax credits, other fiscal incentives and enforcement rules remain unclear. In agriculture, low crop prices should bolster the margins of protein players who will benefit from subdued animal feed costs. Conversely, subdued crop prices present challenges for fertilizers and agrochemical producers. Finally, the macroeconomic environment remains unfavorable for paper and forest products companies, where demand softness and cost pressures continue to weigh on performance.

Important Disclosures

All holdings and data are as of June 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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