Fourth Quarter 2021

Inflation Heat Keeps Resources Warm

Shawn Reynolds

Portfolio Manager

VanEck Global Resources Fund

GHAAX | GHACX | GHAIX | GHAYX

Inflation is top of mind as the U.S. headline CPI ended November at its highest level since 1982. Resource equities historically outperform other asset classes in inflationary environments.

Inflationary pressures mount, resource equities prevail.

Inflationary pressures mounted during the fourth quarter of 2021, with the U.S. headline Consumer Price Index[1] ending November at its highest year-over-year level since July 1982. Supply chain issues remained pervasive, impacting nearly every sector of the global economy and adding to rising consumer price expectations and the real cost of raw materials, energy and food.

For the prior two quarters, commodities (as measured by the Bloomberg Commodity Index[2]) have been the primary beneficiary of this inflation-fueled growth. Resource equities managed to narrow the gap in the fourth quarter, albeit marginally, with the S&P Global Natural Resources Index[3] turning in notable gains to end the year.

Oil and gas reach near-term highs

West Texas Intermediate crude oil (WTI) closed above $80 (per barrel) in late October for the first time in six years. Similarly, Henry Hub natural gas ended October at its highest price since February 2014, at approximately $5.51 (per million btu).

Since then, both energy commodities have traded down somewhat—ending the quarter at approximately $75 per barrel and $3.30 per million btu, respectively—following the dramatic rise in Omicron variant cases of Covid and subsequent (though only initially) tempered growth expectations for the first few months of 2022, in addition to a warm start to winter.

Oil and gas markets have remained resilient, though, relying on the notion that overly-restrictive measures—such as those

Average Annual Total Returns (%) as of December 31, 2021

	4Q 21*	YTD*	1 Yr	3 Yr	5 Yr	10 Yr
Class A: NAV (Inception 11/02/94)	7.19	18.61	18.61	16.26	1.81	-0.47
Class A: Maximum 5.75% load	1.02	11.79	11.79	13.99	0.61	-1.06
SPGINRTR Index[4]	8.12	39.95	39.95	10.06	1.27	1.27

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.

imposed on manufacturing activity and travel—are less likely to be implemented and/or are, at least, less likely to impact overall demand as they did earlier in the pandemic.

U.S. oil producers' commitment to return capital to shareholders also remained largely intact during the quarter, thanks to companies' moderated production growth, ongoing debt reduction efforts, and persistent focus on operational efficiency gains. Though sustained higher oil prices have undoubtedly been a considerable tailwind for companies seeking to return capital, unconventional oil and gas producers in the U.S. have also been able to maintain or even reduce marginal production costs—even in the face of rising equipment and labor costs due to inflation.

Renewable energy still facing near-term, uphill battles

Renewable energy markets—including U.S. solar and wind energy equipment manufacturers—continued to battle supply chain volatility and rising input costs, facing an ever-increasing number of delays or cancelations of installation projects. Sporadic, Covid-led closures at manufacturing plants across China fueled a spike in polysilicon prices while the ongoing U.S./China trade policy debate to some extent, continued to hinder imports of related source materials.

Amidst the supply malaise, President Joe Biden's approved, bipartisan infrastructure deal—signed in November—has laid plans for additional green infrastructure spending in the U.S., including funding for renewable energy programs, battery storage and clean energy technology innovation projects. However, December saw the delay in the Build Back Better legislation and proposed changes to renewable net metering regulations in California, which more than offset the perceived benefits of the infrastructure bill.

"Wheels up" for diversified miners?

Though most base metals ended up on the three-month period, nearly all were subject to considerable price volatility on shifting supply and demand dynamics throughout the quarter. Concerns over China's cooling economy—on slumping domestic property markets, slowing industrial output and a rise in the Omicron variant of Covid—manifested early in the third quarter and were at least partially to blame for price volatility throughout the metals complex.

Perhaps most notable was the impact that China's muted outlook had on copper, which experienced a sharp retreat from another one of its near-record highs in October. Indications of potentially balanced markets for some metals in 2022—such as in copper and aluminum—also aided, considerably, in price movement.

Meanwhile, "green metals" (i.e., metals vital to the industrial-level buildout of renewable energy technologies as well as mass production of low-carbon transportation), such as nickel and cobalt, reached near-term highs, fueled by declining global inventories and persistent demand growth from electric vehicle markets.

Ags a mixed-bag

Grains, led by corn, rallied off their 2021 lows during the quarter. Surging ethanol production gave a significant boost to corn during the fourth quarter, while increasingly adverse climate predictions for the 2022 planting season (due to a La Nina weather event) may have contributed to rising prices across all grains. [Note: La Nina typically portends an increased likelihood for drier weather in parts of the crop-producing regions of the U.S. and South America, where a vast majority of the world's grains are grown]

Domestic protein markets, which typically benefit from lower grain prices (with corn being a major input cost for primary animal feed), were doubly impacted both by rising corn prices, as well as by slowing demand in China for pork and chicken products.

Portfolio Positioning and Performance

The Fund underperformed the S&P North American Natural Resources Sector Index on the quarter, returning 7.19% versus 8.12%, respectively, during the three-month period. On both an absolute and relative basis, the largest contributors came from Base & Industrial Metals, Oil & Gas, and Agriculture, while the largest detractors came from Renewable & Alternative Energy.

Changes remain "on-the-margin"

Changes to portfolio positioning during the quarter were mostly "on-the-margin", including the initiation of two new positions and the exit of only one.

Adds:

- In October, we established a position in Baker Hughes (0.68% of Fund net assets)—a company we believe provides more leverage to both the traditional oil services sector and the alternative energy industry with a clear focus on the hydrogen value chain. Together, in our view, this creates a business model with lower volatility and greater resiliency throughout the cycle.
- Another addition to the portfolio was Fluence (0.16% of Fund net assets), an energy storage joint venture backed by Siemens (not held) and AES (not held) offering a comprehensive technology platform primarily for stationary battery projects. The combination of: 1) a diverse customer base spanning the U.S., Europe, Chile and the Philippines; and 2) significant and lightly-penetrated total addressable market, paired with; 3) support from AES and Siemens, presents the opportunity for tremendous growth and cost-competitive adoption, in our view.

Top Quarterly Contributors

Holding	Weight	Estimated Contribution	Comment
Freeport-McMoRan	4.32%	0.99%	In addition to high copper prices, the company continued benefit from its multi-year restructuring, in which not only has operational efficiency been drastically improved, but also net debt has plummeted, thereby placing the company on even stronger and firmer financial footing for the future..
First Quantum Minerals	4.06%	1.00%	In addition to high copper prices and its own high growth in the space, the company also continued to benefit from the deleveraging story, with its resulting increase in financial strength.
Devon Energy	3.30%	0.73%	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.

Top Quarterly Detractors

Holding	Weight	Estimated Contribution	Comment
Sunrun	2.06%	-0.60%	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. Continued uncertainty around regulatory changes in California and disappointment around Build Back Better were two strong headwinds.
Stem, Inc.	1.45%	-0.39%	For Stem, too, continued uncertainty around regulatory changes in California and disappointment around Build Back Better were two strong headwinds.
Chart Industries	1.83%	-0.37%	The company had a great third quarter, but this was followed by a bad fourth quarter.

Source: FactSet, VanEck. Data as of December 31, 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. 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.

Opportunity remains within the energy transition

In our view, the biggest opportunity within the global resources space remains in the sub-sectors most closely tied to the ongoing energy transition and their linkage to inflationary risks. The move to renewables is accelerating, propelled by expansive—and increasingly mandated—climate policy, as well as by increased consumer demand and easing of access. We believe that the energy transition will continue to disrupt the supply and demand dynamics for a host of associated industries, as countries and companies increasingly compete for clean energy substitutes and as the number of key minerals required to facilitate the buildout of these technologies and support systems becomes fully appreciated by the markets.

Divestment remains a risk

We believe that one of the biggest risks to the space in the near term is the impact of sustainable investing on extractive industries, such as diversified mining or oil and gas production. We believe that companies in the traditional resources space have gone to much greater lengths to detail their efforts related to various sustainability issues, though acknowledge that the investing public generally seems inclined to just avoid these types of investments altogether. In the face of an energy transition path that requires an unprecedented demand of metals, minerals and traditional energy resources to see it through to full completion, to us, it seems a little premature to ignore the investment opportunities across the broad resources spectrum.

Why now?

Inflation is persistent and pervasive, but it is almost never permanent. A defining trait of resource equities are their ability to act as a hedge against inflation. Historically speaking, resource equities have outperformed most other asset classes in modest inflation environments (between 2% to 6% inflation, year-over-year) and significantly outperformed in high inflation environments (greater than 6%, year-over-year). Based on recent trends, we may currently be amidst one of the more significant inflationary periods seen in the last 40+ years.

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 December 31, 2021 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. The information presented does not involve the rendering of personalized investment, financial, legal, or tax advice. Certain statements contained herein may constitute projections, forecasts and other forward looking statements, which do not reflect actual results. Information provided by third-party sources are believed to be reliable and have not been independently verified for accuracy or completeness and cannot be guaranteed. Any opinions, projections, forecasts, and forward-looking statements presented herein are valid as of the date of this communication and are subject to change without notice. The information herein represents the opinion of the author(s), but not necessarily those of VanEck.

[1]Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. [2]Bloomberg 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. [3]S&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. [4]S&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.

All indices are unmanaged 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 the Fund. An index's performance is not illustrative of the Fund's performance. Indices are not securities in which investments can be made.

The views and opinions expressed are those of VanEck. Fund manager commentaries are general in nature and should not be construed as investment advice. Opinions are subject to change with market conditions. Any discussion of specific securities mentioned in the commentaries is neither an offer to sell nor a solicitation to buy these securities. Fund holdings will vary. For a complete list of holdings in the Fund, please visit: https://www.vaneck.com/us/en/investments/global-resources-fund-ghaax/.

Sustainable Investing Considerations: 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. Strategies across geographies and styles approach ESG analysis and incorporate the findings in a variety of ways. Incorporating ESG factors or Sustainable Investing considerations may inhibit the portfolio manager's ability to participate in certain investment opportunities that otherwise would be consistent with its investment objective and other principal investment strategies.

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.

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.

All investing is subject to risk, including the possible loss of the money you invest. As with any investment strategy, there is no guarantee that investment objectives will be met and investors may lose money. Diversification does not ensure a profit or protect against a loss in a declining market. Past performance is no guarantee of future results.

Investing involves risk, including possible loss of principal. Please call 800.826.2333 or visit vaneck.com for a free prospectus and summary prospectus. An investor should consider investment objectives, risks, charges and expenses of the investment company carefully before investing. The prospectus and summary prospectus contain this and other information. Please read the prospectus and summary prospectus carefully before investing. Investing involves substantial risk and high volatility, including possible loss of principal. An investor should consider the investment objective.

VanEck®

Van Eck Securities Corporation, Distributor

666 Third Avenue | New York, NY 10017

vaneck.com | 800.826.2333