First Quarter 2023

Outlook for Sustainable Supply Chain Investment Soars

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ENVAX | **ENVIX** | **ENVYX**

9 Years of Sound Policy > 10 Years of Slapdash

Since the passing of the Inflation Reduction Act (IRA) over a half a year ago, we have witnessed a swell of interest. Players across the globe, up and down the value chain of energy transition, have preferred the U.S. to build out supply chains given the attractive and direct impact on project economics and cost savings. In the last eight months, $150 billion of domestic manufacturing projects across storage, solar, and wind have been announced with expected online timeframes within the next three years.[1] For context, this amount surpasses the total investment in these areas between 2017-2021.

However, we suspect the investment pie is significantly bigger. We have heard increasingly from corporates and their customers a reticence to rush into project buildout – largely as we are still awaiting further clarification on specific details of the bill from the Treasury. Further down the value chain on grid-connected projects, we have heard from numerous sources that the demand far exceeds the regulatory capacity to green-light proposed projects, with queues in some jurisdictions surpassing three years. Specialized labor has been another pinch point, as there are insufficient engineers and technicians to staff new manufacturing facilities for inverters, batteries, and other technologies requiring specific expertise, and training takes time. General supply chain issues that plagued the industry in 2022 seem to be moderating, as are logistics bottlenecks – but industry participants are cautious to stir up those issues to add to the longer-dated, more structural issues related to the domestic supply chain build out currently unfolding.

Average Annual Total Returns (%) as of March 31, 2023

	1 Mo†	YTD	1 Yr	Life
Class A: NAV (Inception (7/13/21)	1.53	6.53	-13.18	-13.44
Class A: Maximum 5.75% load	-4.31	0.40	-18.18	-16.38
GDUEACWF Index[1]	3.15	7.44	-6.96	-4.54

Average Annual Total Returns (%) as of December 31, 2022

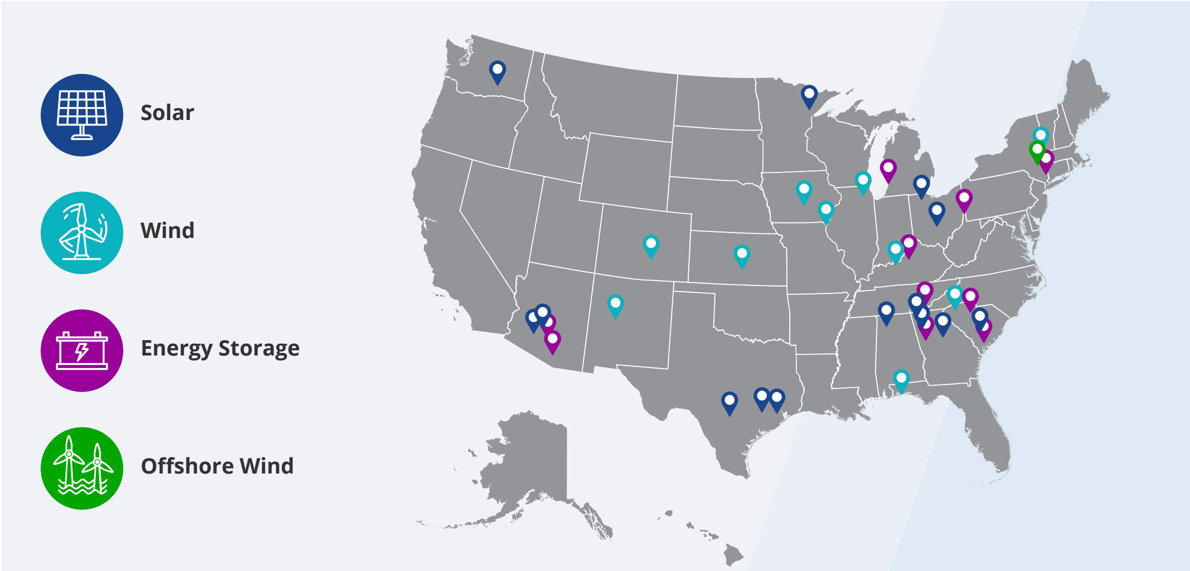
	1 Mo†	YTD	1 Yr	Life
Class A: NAV (Inception (7/13/21)	-11.28	-24.42	-24.42	-19.08
Class A: Maximum 5.75% load	-16.38	-28.77	-28.77	-22.28
GDUEACWF Index	-3.90	-17.96	-17.96	-9.80

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.

† Monthly returns are not annualized.

Expenses: Class A: Gross 5.79%; Net 1.25%. Expenses are capped contractually until 05/01/24 at 1.25% for Class A. Caps exclude acquired fund fees and expenses, interest, trading, dividends, and interest payments of securities sold short, taxes and extraordinary expenses.

August 2022 – March 2023: 46 manufacturing facilities announced; $150bn In capital investments



Source: Cleanpower.org. Data as of March 2023.

What does this all mean?

An operator at one of our holdings summed up his sentiments nicely: *"I'd rather have 9 years of a well-thought-out policy than 10 years of modifications down the line."* The Treasury has been releasing details addressing different parts of the extensive bill throughout the year, with industry experts expecting some of the most anticipated ones toward greenfield manufacturing to be released later this year. We have already witnessed a preliminary rush of buildout announcements on the upstream side and expect this to help supply the slew of projects that will undoubtedly come online once they pass the regulatory hurdles. Reassuringly, details around what has been released so far seem to reflect that regulators are cognizant of the limitations to growth, particularly regarding critical mineral supply chains and the timing and capital investment necessary to build them to scale in the U.S.

Quarter in Review

The VanEck Environmental Sustainability Fund (Class A Shares) returned 6.53% during the first quarter of 2023. Portfolio performance was supported by investments around the electric vehicle (EV) supply chain, on the back of incremental Treasury announcements around the IRA that were more supportive of fluid geopolitical supply chains and less stringent requirements around qualification for the EV tax credit in the U.S.

There were several changes to portfolio positioning during the quarter. The table below highlights several of the notable additions and exits.

Additions

Name	Action	Sector	Rationale
Array Technologies (1.92% of Net Assets as of 3/31/2023)	New Position	Renewable Energy	Solar tracker manufacturer benefitting from strong U.S. utility growth and a sizable runway for margin expansion.
SolarEdge Technologies, Inc. (5.02% of Net Assets as of 3/31/2023)	Increase Position	Renewable Energy	Reallocated from peer ENPH on better than expected execution amidst Europe strength.
MP Materials (1.04% of Net Assets as of 3/31/2023)	Increase Position	Advanced Materials	Attractive valuation following negative headlines regarding substitution risk which we believe are overblown and a minor proportion of MP's addressable market.

Exits and Reductions

Name	Action	Sector	Rationale
Enphase Energy (2.53% of Net Assets as of 3/31/2023)	Reduce Position	Renewable Energy	Reducing exposure to US residential solar given NEM 3.0 weakness. Anticipating slowdown in residential demand near term.
Fluence Energy	Exit Position	Renewable Energy	Inconsistent business strategy and poor management execution.

[1] American Clean Power, Clean Energy Investing in America, April 2023.

Unless otherwise stated, portfolio facts and statistics are shown for Class A shares and as of March 31, 2023; other classes may have different characteristics.

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Van Eck Associates Corporation (the "Adviser") has agreed to waive fees and/or pay Fund expenses to the extent necessary to prevent the operating expenses of the Fund (excluding acquired fund fees and expenses, interest expense, trading expenses, dividends and interest payments on securities sold short, taxes and extraordinary expenses) from exceeding 1.25% for Class A, 0.95% for Class I, and 1.05% for Class Y of the Fund's average daily net assets per year until May 01, 2024. During such time, the expense limitation is expected to continue until the Board of Trustees acts to discontinue all or a portion of such expense limitation.

[1](GDUEACWF) MSCI AC World Daily TR Gross USD captures large and mid cap representation across developed and emerging markets and countries and covers approximately 85% of the global investable equity opportunity set. The MSCI benchmark is a Gross Return index which reinvests as much as possible of a company's gross dividend distributions.

Any indices listed are unmanaged indices 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 a Fund. Certain indices may take into account withholding taxes. An index's performance is not illustrative of a Fund's performance. Indices are not securities in which investments can be made.

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The Fund's sustainability strategy may result in the Fund investing in securities or industry sectors that underperform other securities or underperform the market as a whole, and may result in the Fund being unable to take advantage of certain investment opportunities, which may adversely affect investment performance. The Fund is also subject to the risk that the companies identified by the Adviser do not operate as expected when addressing sustainability issues. Regulatory changes or interpretations regarding the definitions and/or use of sustainability criteria could have a material adverse effect on the Fund's ability to invest in accordance with its sustainability strategy.

Companies that promote positive environmental policies may not perform as well as companies that do not pursue such goals. Issuers engaged in environmentally beneficial business lines may be difficult to identify and investments in them maybe volatile. Environmentally-focused investing is qualitative and subjective by nature, and there is no guarantee that the factors utilized by the Adviser or any judgment exercised by the Adviser will reflect the opinions of any particular investor

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 which may include, but are not limited to, risks associated with active management, derivatives, emerging market issuers, environmental-related securities, equity securities, foreign currency, foreign securities, industrials sector, information technology sector, market, non-diversified, operational, investing in other funds, small- and medium-capitalization companies, special purpose acquisition companies, sustainable investing strategy, and utilities sector risks, all of which may adversely affect the Fund. Emerging market issuers and foreign securities may be subject to securities markets, political and economic, investment and repatriation restrictions, different rules and regulations, less publicly available financial information, foreign currency and exchange rates, operational and settlement, and corporate and securities laws risks. Small- and medium-capitalization companies may be subject to elevated risks.

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