Fourth Quarter 2023

Resources Regroup for 2024

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VanEck Global Resources Fund

GHAAX | GHACX | GHAIX | GHAYX

Mixed Performance on the Quarter

Performance of resource equities was mixed on the quarter. Broadly speaking, the sector's most respectable gains were concentrated in mining, including within the sub-sectors of Base & Industrial Metals and Gold & Precious Metals. Sub-sectors such as Renewable & Alternative Energy and Industrials & Utilities saw modest rallies to end the year, though mostly off of recent lows. Meanwhile, a majority of the Oil & Gas sub-sector experienced losses, marking a notable pullback from their mid-year peak.

Landmark M&A in Oil & Gas

Oil price declines in the fourth quarter were highlighted by weakening demand growth paired with stronger-than-anticipated output—particularly out of the U.S. In its December 2023 Oil Market Report, IEA noted how U.S. oil supply growth "continues to defy expectations, with output shattering the 20 mb/d [million barrels per day] mark."[i] OPEC+'s announced plans to extend oil production cuts through the first quarter of 2024 appeared to have little impact on halting crude's slide. WTI crude prices dropped some $25/bbl from the end of September into early December before eventually settling at around $72/bbl to end the year (a 10% decline from end-2022).

Mergers and acquisition activity within the U.S. exploration and production (E&P) industry reached a zenith in the fourth quarter with ExxonMobil's (2.48% of Fund net assets) announced all-stock purchase of Pioneer Natural Resources (1.07% of Fund net assets) and Chevron's (0.99% of Fund net assets) similarly-structured agreement to purchase Hess (0.51% of Fund net assets). The deals, both valued above $50 billion, capped off a reported $250 billion spending spree in the industry for 2023.[ii]

Hope for Renewables Heading Into 2024?

Solar module prices hit new lows during the quarter, with supply still vastly outstripping demand. Global imbalances remained largely fueled by excess capacity in China, where the cost to produce a panel fell by over 40% in the last year.[iii] Declining industry costs, as well as government-fueled subsidies from the Inflation Reduction Act, are believed to have aided with a record 33 gigawatts of installed solar capacity in the U.S., and 413 gigawatts worldwide, in 2023.[iv]

Investor sentiment around renewable and alternative energy companies saw a marked improvement during the quarter.

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

	4Q 23[*]	YTD	1 Yr	5 Yr	10 Yr
Class A: NAV (Inception 11/02/94)	-0.66	-3.89	-3.89	10.23	-1.38
Class A: Maximum 5.75% load	-6.37	-9.42	-9.42	8.93	-1.97
SPGNRUT Index[1]	3.59	4.08	4.08	11.15	5.15
SPGINRTR Index[2]	-1.19	3.66	3.66	13.13	2.85

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 1.47%; Net 1.38%. Expenses are capped contractually until 05/01/24 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.

Higher borrowing costs have been a significant contributor to a more muted outlook for the space – particularly for companies such as renewable energy project financier, Hannon Armstrong (2.05% of Fund net assets) – and U.S. Federal Reserve (Fed)-telegraphed rate cuts in 2024 helped restore some optimism beginning in October.

Much-Needed Boost for Base Metals

Base and industrial metals markets limped into the fourth quarter as concerns over China's real estate sector weighed on prices for much of the year. "Green" metals and minerals – such as lithium, nickel, cobalt and graphite – contended with projected supply overhangs, in part due to disappointing EV sales in the U.S and ongoing supply-chain bottlenecks in clean energy markets. Copper and iron ore were spared before year-end with reported inventory declines in China and at the London Metal Exchange, as well as with a slew of ongoing disruptions at major production sites around the world.

First Quantum (0.48% of Fund net assets) was among those most significantly impacted by disruptions to its mine operations. In November, Panamanian government officials ordered the closure of First Quantum's Cobre Panama mine which, according to Bloomberg, accounted for approximately 1.5% of copper supply in 2022.[v] While certainly less dramatic, in October, Vale (2.86% of Fund net assets) announced a two-million-ton impact to its iron ore production—occurring in the third quarter—due to vital equipment failure at its norther Brazilian mining complex.[vi]

Gold's Still Shining

Gold reached a new all-time high in December. Reported strength in central bank purchases, rising global geopolitical tensions and forecasted rate cuts in 2024 outweighed otherwise-lackluster investment demand for physical gold through most of the second half of 2023.

Gold miners, who largely underperformed the metal heading into the fourth quarter, showcased their ability to outperform. In November, Newmont (1.70% of Fund net assets) announced its successful, $15 billion bid for Newcrest (not held by Fund). The acquisition is estimated to bring Newmont's net value to approximately $50 billion while also adding several highly-attractive, non-core assets to its mining portfolio.[vii]

Ags Still Seeking a Near-Term Catalyst

Nearly the whole of the agriculture complex added to its year-to-date losses during the fourth quarter. U.S. stocks of wheat and corn ended the year higher while usage remained fairly flat on slowing exports and lower demand for animal feed. Fertilizer prices continued to stabilize with European supplies of natural gas (a key input for nitrogen fertilizers) appearing less precarious than a year ago. Proteins were mixed; cattle prices retreated from all-time highs on record imports while chicken broiler prices spiked on reports of a resurgence in avian flu.

Modest share price gains of protein producers and farm equipment manufacturers were the lone standouts among agriculture companies during the final months of 2023. However, on the whole, the agriculture sub-sector struggled to find firm footing.

Recapping Fund Performance

VanEck Global Resources Fund (Class A Shares) returned -0.66% during the quarter, bringing year-to-date performance to -3.89%. Collectively, positions in Oil & Gas were the largest driver of portfolio losses on the quarter. The strongest contributors included positions in Gold & Precious Metals, Renewable & Alternative Energy and Agriculture.

Top individual contributors during the quarter included renewable energy project financier, Hannon Armstrong, poultry producer, JBS (2.11% of Fund net assets), and iron ore producer, Vale (2.86%). Top detractors included industrial equipment manufacturer, Chart Industries (1.70% of Fund net assets), oil and gas exploration and production company, Hess (0.51% of Fund net assets) and oil refiner, Valero (2.82% of Fund net assets).

Adding to Iron Ore on Outlook

On a net basis, the most significant changes to the portfolio during the quarter were made within the Oil & Gas, Base & Industrial Metals and Agriculture sub-sectors.

- **Oil & Gas:** We reduced our oilfield services, E&P and pure-play refining exposures in favor of the more-defensive integrateds. In our view, large mergers among E&Ps often portend reduced drilling activity and a slowdown for oilfield service providers, while spare capacity also remains an overhang for crude oil prices in the intermediate-term.
- **Base & Industrial Metals:** We increased our exposure to iron ore markets with a newly added position (detailed below). Iron ore prices are hovering near nine-month highs and associated equities appear to be finally responding. We anticipate further near-term appreciation as the markets revise earnings estimates to reflect this stronger commodity price environment.
- **Agriculture:** We added to our protein (poultry) producers as we continue to see consumers trading down to chicken from more expensive proteins like beef and pork. We also anticipate an upswing in the poultry cycle and view our positions as among the largest beneficiaries of a rebound in prices.

Notable Adds:

Company	Weight	Sub-Sector	Rationale
Rio Tinto	2.02%	Base & Industrial Metals	The diversified miner has operations in 35 countries across six continents and is the world's second largest producer of iron ore. Its strong balance sheet (low net debt), and propensity for large dividends pairs well with our increasingly bullish outlook for the commodity.
Pan American Silver	1.05%	Gold & Precious Metals	The precious metals miner – traditionally a pure-play on silver – has acquired several gold-producing assets. In our view, these newly acquired projects should drive meaningful production growth in the near-term.

Notable Exits:

Company	Weight	Sub-Sector	Rationale
Repsol	(not held)	Oil & Gas	The European refiner mostly benefited from strong crack margins mid-summer. However, we expect some normalization due to a combination of factors, including loosening restrictions on Russian exports.

Source: VanEck, FactSet. Data as of December 31, 2023. 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.

Looking Ahead to 2024

From a macroeconomic perspective, commodities and resource equities continue to be most strongly influenced by the perceived trajectory of global economic growth and inflation. As such, the health of economies in China, United States, Europe and, increasingly so, India, remain a critical area of focus for us, for now. We are closely monitoring indications that the era of interest rate hikes may have concluded and that a global recession may have been successfully avoided. Such a case would prove, in our view, generally constructive for the operating environments of a number of our portfolio companies, with any incremental measures likely to be stimulative for demand.

Inflation has come down but remains above most key targets, implying, to us, a "higher-for-longer" outlook. The risk that inflation trends reverse or that inflation remains at current levels, while regarded as negative for economic growth, would likely still prove somewhat beneficial for inflation-hedging assets such as commodities and resource equities. A recession, even if mild, would certainly be considered a worst-case-scenario, as this would likely lessen the perceived importance of these assets significantly.

Macroeconomics aside, clear to us is that many of the other major, fundamentally-driven factors propelling resource companies to their 2022 highs still remain the same today. Supply for a number of commodities continues to be constrained due to a lack of capital investment, operational limitations and aligned executive compensation schemes. Resource companies, bolstered by structural advantages and years of efficiency-focused operations, remain uniquely positioned to benefit. Their tangible assets, strong financial health, commitment to shareholder value and attractive valuations still make them compelling investment opportunities, in our view.

[i] https://www.iea.org/reports/oil-market-report-december-2023

[ii] https://www.reuters.com/business/energy/big-oil-enters-2024-strengthened-by-us-industry-consolidation-2023-12-26/

[iii] https://www.reuters.com/world/china/china-solar-panel-costs-drop-42-year-ago-report-2023-12-14/

[iv] https://about.bnef.com/blog/global-pv-market-outlook-4q-2023/

[v] https://www.bloomberg.com/news/articles/2023-11-23/panama-copper-mine-is-winding-down-amid-blockade-union-says?sref=5IvW4QbX

[vi] https://www.miningweekly.com/article/vales-iron-ore-output-falls-as-operations-failure-hits-key-mine-2023-10-18

[vii] https://www.mining.com/newmont-plans-to-sell-mines-following-newcrest-acquisition/

Important Disclosures

All holdings and data are as of December 31, 2023.

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The S&P Global Natural Resources (SPGNRUT)[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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