Third Quarter 2023

Can Fundamentals Outweigh Uncertainties?

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VanEck Global Resources Fund

GHAAX | GHACX | GHAIX | GHAYX

Oil companies extend their gains

The third quarter of 2023 largely extended trends seen in the second quarter. The Oil & Gas sector continued its dominance within the resource equity landscape while most other sectors faced challenges.

U.S. exploration & production (E&P) companies approached their November 2019 monthly crude oil production record in July, achieving an output of 12.99 million barrels per day. Remarkably, this growth was realized with fewer rigs than in 2019, underscoring the increased efficiencies of these companies. Furthermore, their reinvestment rates, which denote capital expenditures in relation to operational cash flow, remained below 2020 levels, reflecting a cautious stance on capital spending to prioritize shareholder value.[1]

Despite the conservative spending by E&Ps, oil servicers held their ground. Stable oil prices and industry-wide cost inflation have enabled these servicers to maintain pricing, especially in offshore services like deepwater drilling. Cash-rich integrated oil companies intensified their exploration efforts in these areas. However, a point of concern emerges from dwindling conventional oil discoveries, which hit a five-year low during the first half of the year.[2] (*see Total Conventional Discoveries chart on page 2*)

Continued pressure on all things green

Battery metal companies, chiefly lithium producers, faced headwinds this quarter. The combination of rising competition and the lingering effects of elevated lithium prices from 2021/2022 led to concerns about potential market oversupply in 2024 and beyond. These apprehensions were manifested in significant price reductions, with lithium hydroxide experiencing a drop of over 50% during the quarter.

Battery manufacturers confronted challenges due to increased input costs and capital expenditures and research & development (R&D) efforts, aimed at staying ahead of competitors. Additionally, solar and wind equipment producers continue to grapple with the impacts of prolonged high-interest rates, resulting in subdued earnings growth forecasts. Growing backlogs for grid connections in renewable projects have further dampened investor optimism.

Average Annual Total Returns (%) as of September 30, 2023

	3Q 23*	YTD	1 Yr	5 Yr	10 Yr
Class A: NAV (Inception 11/02/94)	2.39	-3.25	5.47	4.53	-0.98
Class A: Maximum 5.75% load	-3.50	-8.81	-0.59	3.30	-1.57
SPGNRUT Index[1]	3.70	0.47	17.78	6.38	5.25
SPGINRTR Index[2]	8.06	4.90	24.05	7.49	3.50

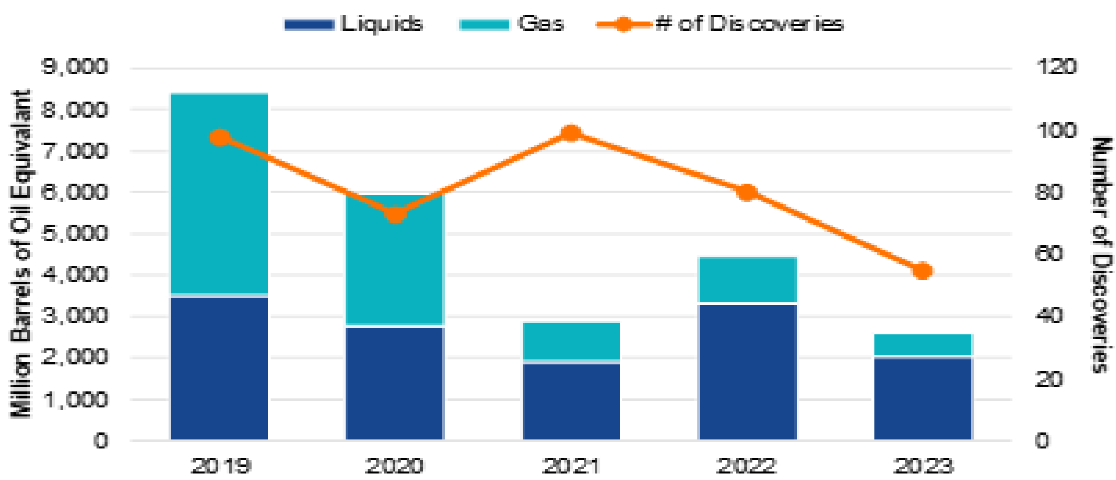
The table (left) presents past performance which is no guarantee of future results and which may be lower or higher than current performance. Returns reflect applicable fee waivers and/or expense reimbursements. Had the Fund incurred all expenses and fees, investment returns would have been reduced. 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.

The agricultural sector presented a varied performance landscape this quarter. Fertilizer producers faced a divide in demand, with dwindling interest in potash contrasted by an uptick in nitrogen-based fertilizers, largely attributed to ongoing natural gas shortages. Grain processors remain optimistic, balancing concerns about potential margin reductions from declining corn and soy prices with a bullish outlook for the latter half of the year.

Total Conventional Discoveries (January - June)



Source: Rystad Energy. Data as of August 2023.

Further potential for offshore oilfield services?

The portfolio's quarterly performance was largely influenced by our investments in Oil & Gas. Most holdings in this sector yielded positive outcomes. The primary underperformers by sector were Renewables & Alternatives and Base & Industrial Metals.

Prominent contributors from the Oil & Gas sector included Valero and TechnipFMC. Valero (4.58% of net assets) benefitted from its constructive earnings outlook given supportive global demand for refined products as well as the company's generally advantaged cost structure. Meanwhile, TechnipFMC (2.86% of net assets) saw its shares climb on the announcement of several notable contract wins, including its deal to supply flexible pipe to several of Petrobras' (not held) offshore projects, as well as a sizable award to provide subsea production systems for Equinor (1.79% of net assets).

The largest detractors included lithium producer Allkem (1.44% of net assets) and battery maker Freyr (0.57% of net assets). Allkem struggled with a combination of both dramatic declines in the price of lithium as well as higher-than-anticipated capital and operating expenditures at several of its key projects. Freyr's shares, on the other hand, were negatively impacted by its announced management transition and headquarters re-location, which spurred concerns over the potential for further delays and cost overruns on its product and Gigafactory roll-outs.

Noteworthy portfolio adjustments during the quarter included new entries into Valaris (0.82% of net assets) and a bolstered position in Saipem (1.07% of net assets), enhancing our exposure to offshore oilfield services. Valaris, with its strong offshore rig pricing and joint venture with Saudi Aramco, seems poised for growth. Other significant changes were in the agricultural sector with investments in Pilgrim's Pride (0.96% of net assets) and CF Industries (1.88% of net assets), both presenting promising growth prospects based on their current positioning and market dynamics. (Note: see below for further details on individual portfolio adds and exits.)

Notable Adds:

Name	Weight	Sector	Rationale
JBS	1.0%	Agriculture	Despite coming off near-term lows, JBS is the world's leading protein producer and we project an increase in earnings before interest, taxes, depreciation and amortization (EBITDA) due to its enhanced pricing power and anticipated industry-wide improvements in livestock input costs.
Pilgrim's Pride	1.0%	Agriculture	Protein producer currently underappreciated by markets considering its earnings potential (driven by an upswing in poultry sales) and relative attractiveness as a potential acquisition target.

Valaris	0.8%	Oil & Gas	Pure play offshore driller well-positioned to benefit from its sizable asset base, leading-edge pricing power in offshore rig day-rates and potential for unlocked value from its joint venture drilling stake with Saudi Aramco (not held by Fund).
Ivanhoe Mines	0.8%	Base & Industrial Metals	Diversified metals miner with the world's fastest-growing, highest-grade copper mine, a strong balance sheet with minimal debt, and improving cost structure.
Permian Resources	0.5%	Oil & Gas	Pure-play oil and gas producer recently establishing itself as an effective consolidator of Permian assets, with a management team aligned to shareholder interests (in desire to return capital) and trading at attractive multiples.
SolarEdge	0.5%	Renewables & Alternatives	Solar inverter manufacturer we tactically re-entered following a broad sell-off in the sector; in our view, its technology remains leading-edge and its thesis fits with our long-term constructive view.
Sunnova	0.4%	Renewables & Alternatives	Participation in a primary equity raise for this U.S. residential solar provider in what we believe to be a cyclical bottom as interest rate hikes slow and supply chain bottlenecks ease.

Notable Exits:

Name	Weight	Sector	Rationale
Anglo American	--	Base & Industrial Metals	After delivering on recent earnings, near-term catalysts appear, in our view, somewhat limited.
Benson Hill	--	Agriculture	The company's acquisition of two soybean crush plants marked a notable pivot from its sole focus on seed development and the strategy has not helped improve margins.
Devon	--	Oil & Gas	Initially rewarded by investors for being first-to-market with its return of capital program, recent production target misses, higher capital expenditure (capex), a lack of high-quality inventory and a deteriorating asset base has soured our longer-term outlook for the company.
Sibanye Stillwater	--	Base & Industrial Metals	We exited the company due weakening fundamentals and ahead of earnings announcements where we anticipated that lower-than-expected guidance may negative impact its shares.
Union Pacific	--	Industrials & Utilities	Exited the company after it rallied to year-to-date highs on the announcement of a new CEO.

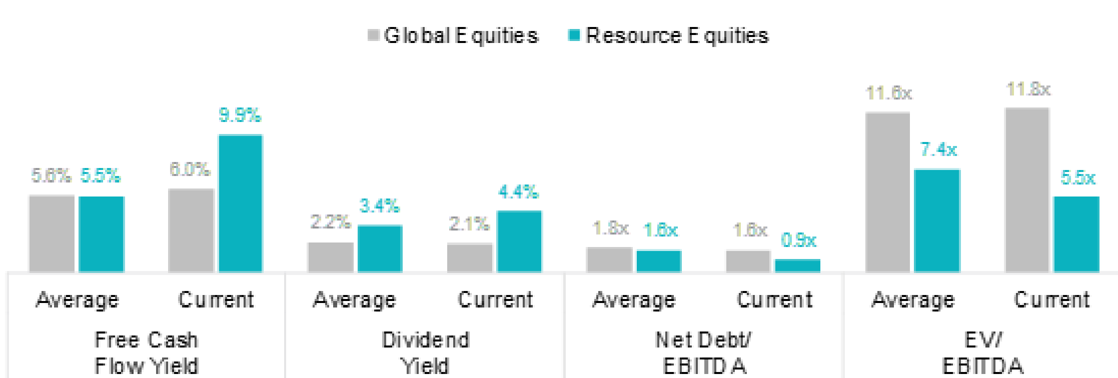
Source: VanEck, FactSet. Data as of September 30, 2023. Not a recommendation to buy or sell any securities referenced herein. Estimated contributions are sourced from FactSet and are not intended as a predictor or guarantee of future results, and are for illustrative purposes only. Portfolio compositions are subject to change at any time.

Looking ahead: fundamentals should outweigh uncertainties

From a broader perspective, our positive long-term stance on resource equities remains unchanged. The evolving global energy landscape hints at potential supply gaps across several commodities. As countries grapple with the complexities of transitioning to renewables, geopolitical tensions pose threats to the supply chain for vital clean energy materials.

Resource companies, bolstered by structural advantages and years of efficiency-focused operations, are uniquely positioned. Their valuable assets, strong financial health, commitment to shareholder value, and attractive valuations make them compelling investment opportunities, in our view.

Valuation Metrics Comparison (10-Year Average vs. Current)



Source: FactSet, VanEck. Data as of September 30, 2023. "Global Equities" represented by the MSCI All-Country World Index (ACWI). "Resource Equities" represented by the S&P Global Natural Resources Index. Data definitions included at the end of this commentary.

However, resource equities might still face near-term macroeconomic uncertainties that have influenced returns intermittently over recent years. Fluctuations in inflation, interest rates and the U.S. dollar's strength, combined with varying investor risk appetites, are critical factors. These challenges may persist given the current limited visibility on long-term economic growth.

Our investment approach remains rooted in thorough company evaluations, helping us pinpoint businesses that can navigate these immediate challenges and align with our broader, optimistic long-term vision.

[i] Rystad Energy (https://www.rystadenergy.com/news/shale-reinvestment-rate-oil-inflation-cash-flow)

[2] Rystad Energy (https://www.rystadenergy.com/news/conventional-oil-and-gas-exploration-low-discovered-volumes)

Important Disclosures

All holdings and data are as of September 30, 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.

The MSCI ACWI captures large and mid-cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. DM countries include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UK and the U.S. EM countries include: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

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