# Access Commodities Intelligently

## Constant Maturity Commodity Index Fund

**CMCAX | COMIX | CMCYX**

### Why VanEck?

VanEck pioneered commodity-equity investing with the introduction of the nation's first gold equity strategy in 1968 and reaffirmed its leadership in the space when it was among the first to provide investors an actively-managed portfolio of diversified natural resource equities in 1994.

Today, our capabilities in this area span actively and passively managed strategies, from physical commodities to natural resource equities. We offer specialized exposure to individual sectors along with diversified solutions with broad exposure across sectors and industries. As of December 31, 2021, VanEck had $81.7B in AUM across active and passive strategies, of which, over $28B is in natural resources equities and commodities.

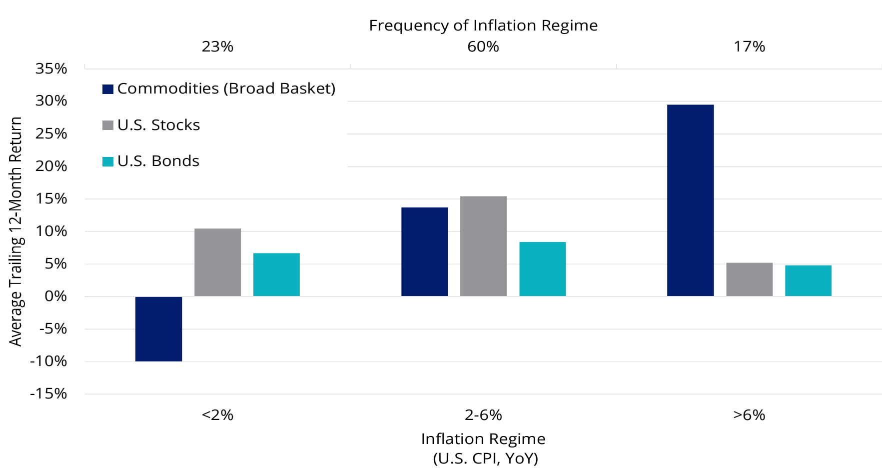
### Why invest in commodities?

There are many benefits to commodities, including low correlation to traditional asset classes, global growth exposure, and as an inflation hedge. Today, the most topical reason is inflation. Investors last faced inflation risk in the early-to-mid 2000s with the most notable bout of inflation occurring in the 1970s. Many investors today may feel ill-prepared and not know exactly how to deal with this risk, which also means their portfolios may not be properly positioned to respond to a prolonged inflationary environment.

Historically, commodities have acted as a hedge against inflation, outperforming U.S. stocks and bonds. Even in periods of modest inflation (2-6%) commodities have outperformed U.S. stocks.

The below chart highlights Inflation Sensitivity of Commodities vs U.S. Stock & Bond over the past 50+ years (1970 to 2020).

**Historically, Commodities Have Acted as a Hedge in Periods of High Inflation**




Source: VanEck and Bloomberg. Data as of December 31, 2021. Past performance is not indicative of future results.

**Key Points of the CM Commodity Index Fund**

- A next-generation commodity index diversified across maturities, minimizing its exposure to the front end of the futures curves
- Seeks to manage the impact of roll yield
- Offers "pure" commodity exposure by investing in commodity-linked derivative instruments and more conservative fixed income securities, such as short-term U.S. treasuries

## What is CMCI and its approach?

The VanEck Constant Maturity Commodity Index Fund is a passively-managed fund that tracks the UBS Constant Maturity Commodity Index (CMCI)[1]. It is diversified across five sectors -energy, precious metals, industrial metals, agriculture, and livestock - with 29 individual commodity components, and up to five maturities.

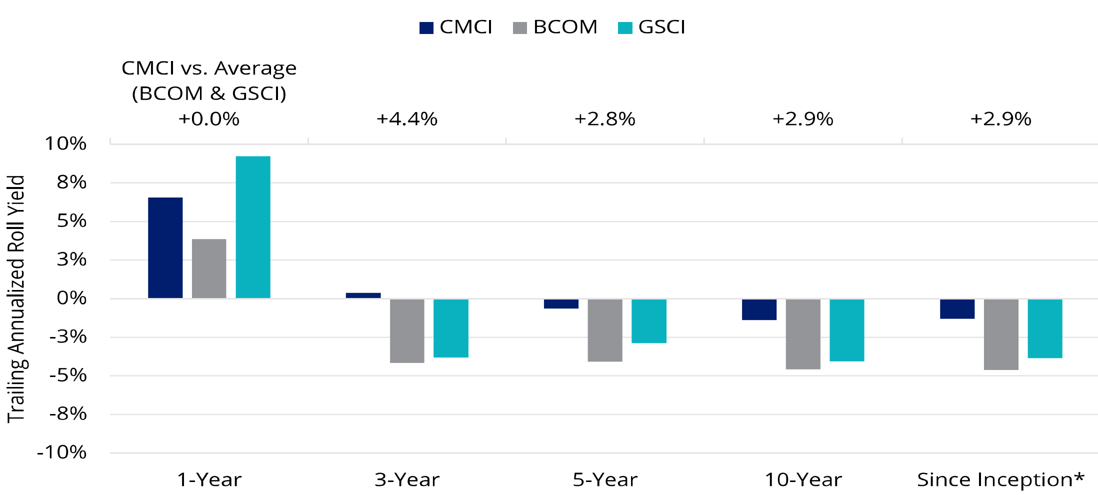
CMCI isolates "pure" commodities exposure to more efficiently provide access to the potential benefits of commodities versus traditional commodity indices such as the Bloomberg Commodity Index (BCOM)[2] or the S&P GSCI (GSCI)[3].

## More Intelligently Designed to Provide Commodities Exposure

CMCI's next-generation model addresses the three main drivers of commodity returns - price movement, use of collateral, and roll risk. CMCI eliminates roll impact through its constant maturity, takes limited risk on its collateral, and intelligently determines weightings.

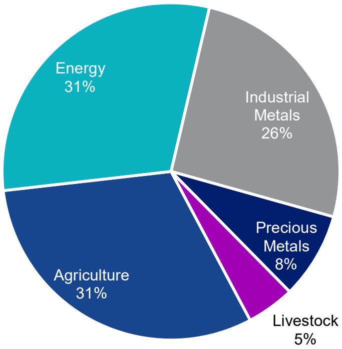
- **Effective Management of Rebalancing and Roll**
  - **Issue**: Many traditional indices invest in only the nearest-term (i.e., front month) futures contracts and need to repurchase them monthly in order to maintain exposure. In a typical commodity market environment, the price of a newer front month contract is often more expensive than an expiring front month contract, creating a "sell low, buy high" situation which can detract from returns over the long-run (an effect known as "negative roll yield"[4]).
  - **Solution**: By spreading its exposure across a range of maturities and maintaining a constant maturity through a daily rolling function, CMCI seeks to effectively manage this process across all commodity market environments—including situations where investors are experiencing negative roll yield or, alternatively, a situation where the price of a newer front month contract is lower than an expiring front month contract (i.e., a "sell high, buy low" situation).
- **Intelligently Designed Relative to Prominent Indices**
  - **Issue**: Traditional indices tend to determine their commodity weightings based on global production and market liquidity which often lends itself to outsized positioning in energy commodities such as crude oil.
  - **Solution**: CMCI combines economic and consumption factors to determine sector weights and then selects individual commodity components based on market liquidity. This method, we believe, provides a more holistic and flexible view of commodities markets.
- **Isolates Commodity Price Movement**
  - **Issue**: Achieving commodities exposure requires collateral and many active portfolio managers seek to generate additional returns by investing this portion of the portfolio—subjecting investors to unintended fixed income exposure and other risks.
  - **Solution**: CMCI only invests its collateral in short-term U.S. treasuries, limiting added market risk.

### Manage the Impact of Roll Yield Across Commodity Environments




Source: Bloomberg. Data as of June 2022. *Since inception is 12/31/2010. Annualized roll yield refers to the annualized return the amount of return generated from the rolling of a short-term futures contract into a longer-term contract and profits from the convergence of the futures price toward a higher spot or cash price. Past performance is not indicative of future results.

## CMCI Portfolio Weightings:




| CMCI Portfolio Composition | |
|---|---|
| Number of Commodity Sectors | 5 |
| Number of Commodity Components | 29 |
| Avg. Weighted Contract Maturity (Months) | 6.6 |

Source: Bloomberg. Data as of December 31, 2021.

## Why the VanEck CM Commodity Index Fund?

- Diversified across 5 sectors, 29 commodities and 5 maturities
- Seeks to minimize exposure to front end of the futures curve (avg. tenor = 6.5 months)
- Monthly rebalancing to limit concentration risk and reduce volatility
- Process seeks to managed the impact of roll yield
- Maturities of three and six months, as well as one-, two-, and three-year maturities for certain commodities

| Fund Details | |
|---|---|
| Inception | 12/31/2010 |
| Ticker | CMCAX / COMIX / CMCYX |
| Gross Expense Ratio[5] | 1.41% / 0.93% / 1.03% |
| Net Expense Ratio | 0.95% / 0.65% / 0.70% |
| Minimums | Class A, Y - $1,000<br>Class I - $1,000,000 |
| Portfolio Manager(s) | Roland Morris<br>Greg Krenzer (Deputy PM) |
| Benchmark | UBS Constant Maturity Commodity Index (CMCI) |

[1]UBS Constant Maturity Commodity Index (CMCI) is a Total Return rules-based composite benchmark index diversified across 29 commodity futures components from the energy, precious metals, industrial metals, agriculture and livestock sectors. [2]Bloomberg Commodity Index (BCOM) is composed of futures contracts on 22 physical commodities covering five sectors, specifically energy, precious metals, industrial metals, agriculture, and livestock. Energy exposure is limited to no more than 33%; manager cannot invest above that level no matter how favorable the energy market. [3]S&P® Goldman Sachs Commodity Index (GSCI) is a composite index of commodity sector returns, representing an unleveraged, long-only investment in commodity futures. High energy concentration; limited diversification. The index benefits when energy is strong, and suffers when energy is weak. 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. Results reflect past performance and do not guarantee future results. Effective July 1st, 2022, the index name changed from UBS Bloomberg Constant Maturity Commodity Index to UBS Constant Maturity Commodity Index and managed by MerQube Inc.

[4]Negative roll yield can occur as an investor sells an expiring futures contract and simultaneously purchases a new contract. If the price of the new replacement contract is higher than the expiring contract, the transaction will yield a negative cash result, also known as negative roll yield. [5]EXPENSES: Class A: Gross 1.41% and Net 0.95%; Class I: Gross 0.93% and Net 0.65%; and Class Y: Gross 1.03% and Net 0.70%. Expenses are capped contractually through 05/01/22 at 0.95% for Class A; 0.65% for Class I; and 0.70% for Class Y. Caps exclude certain expenses, such acquired fund fees and expenses, interest expense, trading expenses, dividends and interest payments on securities sold short, taxes and extraordinary expenses.

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. Commodities are assets that have tangible properties, such as oil, metals, and agriculture. Commodities and commodity-linked derivatives may be affected by overall market movements and other factors that affect the value of a particular industry or commodity such as weather, disease, embargoes or political or regulatory developments. The value of a commodity-linked derivative is generally based on price movements of a commodity, a commodity futures contract, a commodity index or other economic variables based on the commodity markets. Derivatives use leverage, which may exaggerate a loss. The Fund is subject to the risks associated with its investments in commodity-linked derivatives, risks of investing in wholly owned subsidiary, risk of tracking error, risks of aggressive investment techniques, leverage risk, derivatives risks, counterparty risks, non-diversification risk, credit risk, concentration risk and market risk. The use of commodity-linked derivatives such as swaps, commodity-linked structured notes and futures entails substantial risks, including risk of loss of a significant portion of their principal value, lack of a secondary market, increased volatility, correlation risk, liquidity risk, interest-rate risk, market risk, credit risk, valuation risk and tax risk. Gains and losses from speculative positions in derivatives may be much greater than the derivative's cost. At any time, the risk of loss of any individual security held by the Fund could be significantly higher than 50% of the security's value. Investment in commodity markets may not be suitable for all investors. The Fund's investment in commodity-linked derivative instruments may subject the fund to greater volatility than investment in traditional securities. For a description of these and other risk considerations, please refer to the Fund's prospectuses, which should be read carefully before you invest. The Fund offers investors exposure to the broad commodity markets, currently by investing in commodity-linked swaps.

**Investing involves risk, including possible loss of principal. An investor should consider investment objectives, risks, charges and expenses of the investment company carefully before investing. Please call 800.826.2333 or visit vaneck.com for performance information current to the most recent month end and for a free prospectus and summary prospectus. An investor should consider the Fund's investment objective, risks, and charges and expenses carefully. The prospectus and summary prospectus contain this as well as other information. Please read them carefully before investing.**

VanEck®

Van Eck Securities Corporation, Distributor
666 Third Avenue | New York, NY 10017
vaneck.com | 800.826.2333