November 2022

Holiday Surprise in Store for Gold?

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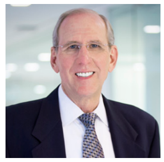

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INIVX | IIGCX | INIIX | INIYX

Good Tidings for Gold

Gold's Christmas came early this year! Yes, gold is still down over 3% year to date, but it is hard not to get excited about a $135 per ounce (8.3%) move in just one month. So, it does feel like an early Christmas present, especially considering that this move places gold right back on the long-term bull trend that has been in place since 2016. Gold fell out of that trend in mid-September this year, when it traded below long-term support of $1,680 per ounce. Although vulnerable at those levels, the gold price showed resilience, supported by strong physical demand, and held firmly around the $1,650 level.

In the first days of November, an eclectic cocktail of news including the Federal Open Market Committee (FOMC) rate hike decision, the jobs report and the U.S. midterm elections led to U.S. dollar weakness, which pushed gold higher. On November 10, the U.S. Consumer Price Index (CPI)[1] for October came in at 7.7% year-on-year, slightly below expectations and lower than the previous month (8.2%). This gave markets renewed hopes that the U.S. Federal Reserve (Fed) may soon slow down the pace of rate hikes, causing the dollar to slide and helping gold trade as high as $1,786 per ounce on November 15. On the last of the day of the month, during his speech at the Brookings Institution, Fed Chairman Jerome Powell put a bow on it by signaling that the Fed may slow down the pace of rate increases as soon as December. Gold responded closing at $1,768.52 per ounce on November 30.*

Gold equities got a jolly ride in Santa's November sleigh. NYSE Arca Gold Miners Index (GDMNTR)[2] was up 19.0% and MVIS Global Juniors Gold Miners Index (MVGDXJTR)[3] was up 19.4%. This strong outperformance by the gold equities during the month demonstrate both their leverage to the gold price and how oversold they have been over the past couple of years—both

* https://www.brookings.edu/events/federal-reserve-chair-jerome-powell-the-economic-outlook-and-the-labor-market/

Average Annual Total Returns (%) as of November 30, 2022

	1 Mo†	1 Yr	5 Yr	10 Yr
Class A: NAV (Inception (2/10/56)	19.29	-13.37	5.17	-3.23
Class A: Maximum 5.75% load	12.43	-18.35	3.93	-3.80
GDMNTR Index	19.03	-7.68	6.38	-3.78

Average Annual Total Returns (%) as of September 30, 2022

	1 Mo†	1 Yr	5 Yr	10 Yr
Class A: NAV (Inception (2/10/56)	-0.93	-20.21	0.75	-5.94
Class A: Maximum 5.75% load	-6.62	-24.80	-0.44	-6.50
GDMNTR Index	0.43	-16.83	2.07	-6.65

Source: VanEck

The performance data quoted represents past performance. Past performance is not a guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Performance may be lower or higher than performance data quoted. Please call 800.826.2333 or visit vaneck.com for performance current to the most recent month ended.

The "Net Asset Value" (NAV) of a Fund is determined at the close of each business day, and represents the dollar value of one share of the fund; it is calculated by taking the total assets of the fund, subtracting total liabilities, and dividing by the total number of shares outstanding. Investors should not expect to buy or sell shares at NAV.

† Monthly returns are not annualized. Please note that precious metals prices may swing sharply in response to cyclical economic conditions, political events or the monetary policies of various countries.

Expenses: Class A: Gross 1.34%; Net 1.34%. Expenses are capped contractually until 05/01/23 at 1.45% for Class A. Caps exclude acquired fund fees and expenses, interest, trading, dividends, and interest payments of securities sold short, taxes and extraordinary expenses.

historically and relative to the gold price. Despite recent cost inflation, which has hit the miners hard this year, the sector remains profitable. At today's gold prices, gold producers enjoy healthy margins, generating substantial free cash flow to allow them to continue to pay dividends and fund future growth.

Growth Challenges for Miners

Growth is hard to come by in the gold space. It is not just a matter of access to capital. The major gold miners have plenty of liquidity. It is a matter of access to large and economic gold deposits. Those do not come easy, as recent sector mergers and acquisitions activity would tell us. This month we saw two gold producers, Agnico-Eagle (9.46% of Fund net assets) and Pan American Silver (not held by Fund) teaming up to launch a competing bid against Gold Fields (not held by Fund) to acquire Yamana Gold (not held by Fund). The Agnico/Pan American offer had an element that was very hard to compete against: the transaction would see Agnico-Eagle consolidate ownership of the Tier 1 Canadian Malartic mine, which is presently owned 50% by Yamana and 50% by Agnico.

We talk frequently about how fragmented the gold sector is, that is, too many small assets in too many hands. Agnico controlling 100% of Canadian Malartic just makes sense—a slam-dunk! Pan American would acquire Yamana's Latin American assets, a natural fit within its portfolio of eight producing mines in the region. Yamana's South American assets would have been a stretch for Agnico, which doesn't have operations there at present, so the acquiring partnership is logical. Gold Fields' offer, in contrast, while creating a bigger gold major, which we recognized as advantageous, was weighed down by other risks that made it difficult for investors to digest. This illustrates the challenges facing gold producers as they pursue growth. In an industry with so many different sources of risk, investors expect acquisitions to deliver not just production growth and value creation, but a significantly reduction in risk. Gold Fields is a well-run company with good assets which now has a fresh start (and a nice break fee) at fulfilling its growth aspirations.

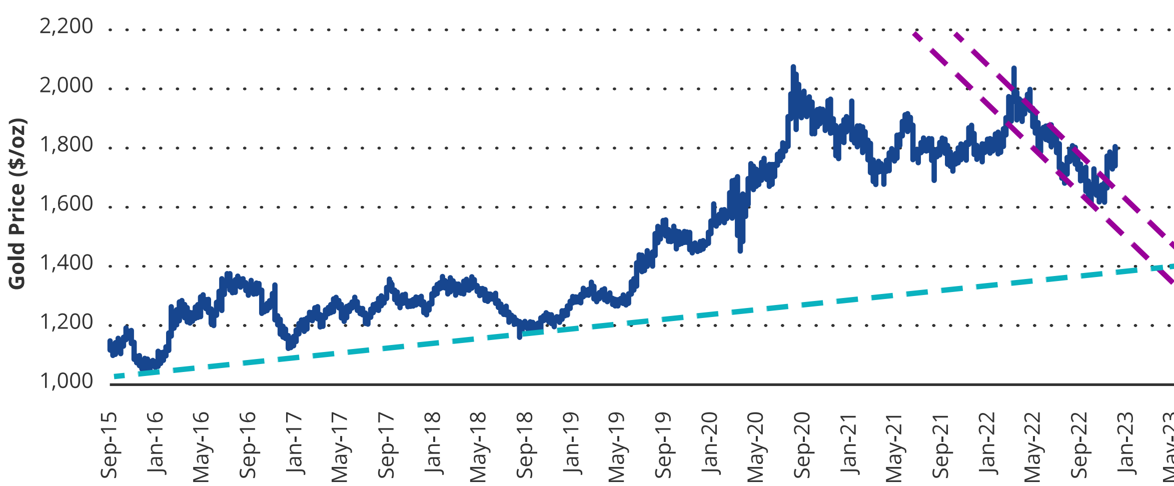
This month we attended Barrick Gold's (5.76% of Fund net assets) investor day at the New York Stock Exchange. Barrick's presentations placed the spotlight on the other side of growth, organic growth, much preferred by most investors as it usually comes at a lower cost. Even factoring in all the recent capital costs escalations, adding ounces through the drill bit is the preferred option, not least because those ounces often come with much lower risk. Expanding the capacity or increasing the life of an existing mine or adding a new mine to an existing district or operational region clearly reduces the associated risks. We were encouraged to see the extensive pipeline of projects and highly prospective grounds that, in our view, will continue to drive Barrick's growth for decades to come.

Market Risks Keeping Gold in the Fold

In the crypto world, the Grinch stole Christmas early! The sudden collapse of FTX raises many questions about the entire crypto ecosystem and creates much uncertainty in what is still a fairly new asset class. Perhaps it should not surprise us that as this sector grows, invents and defines itself, there are going to be some casualties. We are often asked about the impact bitcoin has had on gold demand, as they are both seen as alternative investments. No doubt, gold has likely lost some investors to bitcoin. However, we believe the core gold investors are generally very different from bitcoin investors. Those investing in gold are looking for the safe haven, inflation protection and portfolio diversification—benefits that gold has historically offered. It is clearly too early to tell what role bitcoin and crypto assets will play in a portfolio, and this month's developments are a setback in that discovery process. Until this is better understood and corroborated over time, crypto will have a tough time stealing gold's investors.

The real contender for gold this year has been the U.S. dollar. Investors are tasked with deciding whether to hold gold to protect their portfolios from high inflation and geopolitical tensions or to reduce their holdings as global interest rates rise. In an environment of rising rates and a lower outlook for inflation as a result of the monetary tightening programs by Fed and other central banks, investors have chosen the safety of the U.S. dollar, propelling it to 20-year highs, which has been the biggest headwind for gold this year. The U.S. Dollar Index (DXY)[4] was down 5% during November.

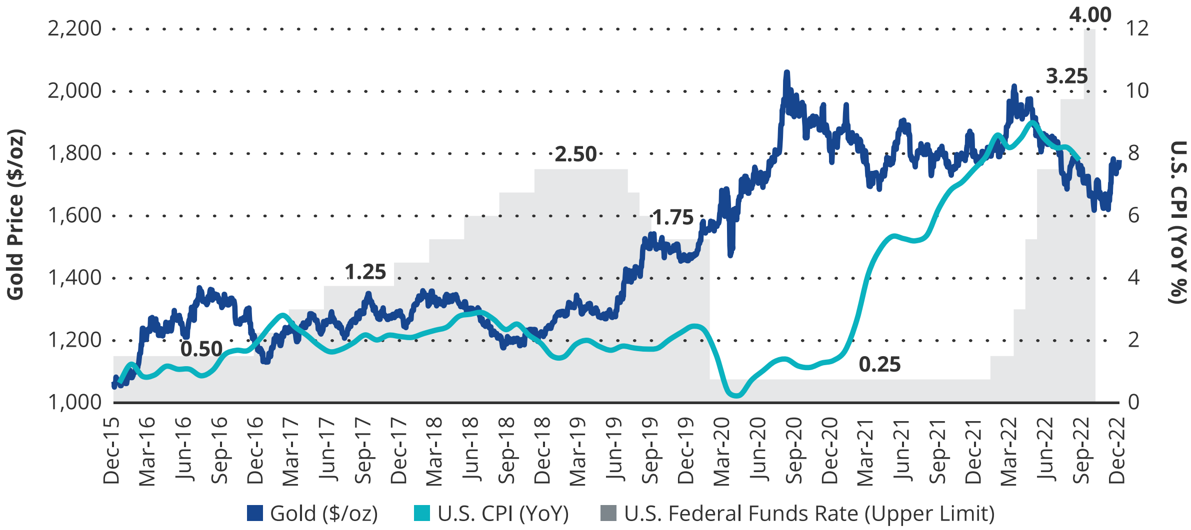
Gold: Back on Track with its Long-Term Bull Trend?



Source: Bloomberg. Data as of December 1, 2022. Past performance is no guarantee of future results. Not intended as a recommendation to buy or sell any securities mentioned herein.

We expect gold to continue to trade around the $1,700 to $1,800 per ounce range in the near term. If inflation remains at or near current levels, real rates are likely to stay in negative territory and we would expect this to support gold. A pause of the Fed's tightening program would likely be a strong catalyst for gold. However, gold may rally even ahead of a Fed pause or pivot. The recent gold price action following the CPI report for October is a perfect example of this. Gold broke out as the market anticipated that Fed rate increases might soon start to slow down. Gold also rallied well ahead of a Fed pause during the last tightening cycle.

Similar to Past Cycles Rate Hiking Cycles, Gold is Likely Getting a Boost from a Potential Pause



Source: FactSet, St. Louis Federal Reserve Bank. Data as of December 1, 2022. Past performance is no guarantee of future results. Not intended as a recommendation to buy or sell any securities mentioned herein.

November's gold price move is fairly unique in that there was not a corresponding increase in gold bullion exchange traded fund (ETF) holdings, the best proxy of investment demand. In fact, gold bullion ETF holdings were down 0.9% during the month, although outflows did slow down. This is a welcomed change in the trend of persistent heavy redemptions since April of this year. Continued strength from other demand centers (central banks, jewelry, bars and coins) is supporting the gold price. We see opportunity for gold's breakout to intensify, propelling it to its all-time highs around the $2,000 per ounce level, but this will require investment demand to increase. So, the question is, what will drive gold investment demand in the medium and longer-term?

We have reviewed at length throughout the year the many risks that we believe are supportive of higher gold prices in the longer term. These include (in the U.S. and globally) persistent and elevated inflation, a weakening economy, debt service strains, elevated geopolitical risks and black swan events, such as the Liability-Driven Investment crisis in the U.K. However, the gold market is ignoring these risks for now. It is likely that the market will continue to ignore these risks until:

- Unemployment rates increase significantly: the job market is still showing resilience that the financial markets interpret as contributing to the possibility of a soft landing. Higher rates of unemployment due to Fed induced demand suppression will send a strong signal that the economy is feeling the strain of the tighter policies. Recently, former Treasury Secretary Larry Summers was quoted saying that a U.S. recession and unemployment hitting 6% are what it will take for surging inflation to be brought under control in America.*

- A recession is confirmed: it is not enough that most economists are calling for a recession next year, it seems markets want confirmation that we are smack in the middle of it. Even Fed Chairman Powell admitted that the path to a soft landing seems to have narrowed.** Markets are also ignoring the yield curve inversion, which has consistently been a good recession indicator. Corporates are also sending warning signals. FactSet reported that 179 S&P 500[5] companies cited the term "recession" during their earnings calls for the third quarter, which is well above the 5-year average of 63 and the 10-year average of 54.***

* https://www.bloomberg.com/news/articles/2022-09-02/summers-discounts-rise-in-labor-force-sees-6-unemployment-risk?sref=5IvW4QbX

** https://www.wsj.com/livecoverage/federal-reserve-meeting-interest-rate-hike-november-2022/card/powell-says-window-for-economy-to-achieve-soft-landing-has-narrowed-9vUxntSVAnZ5KDfU1hg1

*** https://insight.factset.com/are-fewer-sp-500-companies-now-worried-about-a-recession

- Corporate earnings fall: FactSet also reported that for Q3 2022, the blended earnings growth rate for the S&P 500 was a tepid 2.2%.* In addition, for Q4 2022, analysts are projecting an earnings decline of -2.1%. Companies are guiding to falling earnings, yet valuations still look rich. The forward 12-month price-to-earnings (P/E) ratio for the S&P 500 is 17.2. This P/E ratio is below the 5-year average (18.5) but above the 10-year average (17.1).
- Equity markets correct further: share prices need to fall further for market participants to truly appreciate (believe) the impact of tighter financial conditions on corporate profits.
- Inflation and inflation expectations stay above the Fed's target rate: everyone wants to believe that inflation is under control and coming down. It is certainly reassuring to see the downtick in October. Nevertheless, history tells us it can take many years to bring inflation down after it hits the present levels.

Market participants may not abandon the safety of the dollar and run to the safety of gold until several of these conditions are present. How long it may take for these risks to become reality is up for debate, but the increasing likelihood, we believe, will support higher gold prices in 2023 and beyond.

* https://advantage.factset.com/hubfs/Website/Resources%20Section/Research%20Desk/Earnings%20Insight/EarningsInsight_120222A.pdf

All company, sector, and sub-industry weightings as of November 30, 2022 unless otherwise noted.

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[1]Consumer Price Index (CPI) is a measure of the average change in the price for goods and services paid by urban consumers between any two time periods. It can also represent the buying habits of urban consumers. [2]NYSE Arca Gold Miners Index (GDMNTR) is a modified market capitalization-weighted index comprised of publicly traded companies involved primarily in the mining for gold. [3]MVIS Global Junior Gold Miners Index (MVGDXJTR) is a rules-based, modified market capitalization-weighted, float-adjusted index comprised of a global universe of publicly traded small- and medium-capitalization companies that generate at least 50% of their revenues from gold and/or silver mining, hold real property that has the potential to produce at least 50% of the company's revenue from gold or silver mining when developed, or primarily invest in gold or silver. [4]U.S. Dollary Index (DXY) is a measure of the value of the U.S. dollar relative to a basket of foreign currencies. [5]S&P 500 is the market-capitalization-weighted index of 500 leading publily traded companies in the U.S.

Index returns are not Fund returns and do not reflect any management fees or brokerage expenses. Certain indices may take into account withholding taxes. Investors cannot invest directly in the index. Index returns assume that dividends have been reinvested.

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About VanEck International Investors Gold Fund: 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 the risks associated with concentrating its assets in the gold industry, which can be significantly affected by international economic, monetary and political developments. The Fund's overall portfolio may decline in value due to developments specific to the gold industry. 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, or political, economic or social instability. The Fund is subject to risks associated with investments in Australian and Canadian issuers, commodities and commodity-linked derivatives, commodities and commodity-linked derivatives tax, concentration in gold-mining industry, derivatives, direct investments, emerging market securities, ESG investing, foreign currency transactions, foreign securities, other investment companies, management, market, non-diversification, operational, regulatory, small- and medium-capitalization companies and subsidiary risks.

About VanEck Gold Miners ETF (GDX®) and VanEck Junior Gold Miners ETF (GDXJ®): An investment in the Funds may be subject to risks which include, among others, investing in gold and silver mining companies, investing in Australian and Canadian issuers, foreign securities, foreign currency, depositary receipts, small- and medium-capitalization companies, equity securities, market, operational, index tracking, authorized participant concentration, no guarantee of active trading market, trading issues, passive management risk, fund shares trading, premium/discount risk and liquidity of fund shares, non-diversified and concentration risks, all of which may adversely affect the Funds. Foreign investments are subject to risks, which include changes in economic and political conditions, foreign currency fluctuations, changes in foreign regulations, and changes in currency exchange rates which may negatively impact the Funds' return. Small- and medium-capitalization companies may be subject to elevated risks. The Funds' assets may be concentrated in a particular sector and may be subject to more risk than investments in a diverse group of sectors.

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