GDX

VanEck Gold Miners ETF

Analyst Report

This ETF offers investors exposure to some of the largest gold mining companies in the world, thereby delivering what can be thought of as "indirect" exposure to gold prices. Because the profitability of gold miners depends on the prevailing market price for the goods that they sell, these stocks will generally exhibit a strong correlations to movements in spot gold prices. When gold prices go up, gold miners make more money (and vice versa). It should be noted, however, that this relationship is not perfect; in certain environments, gold miner stocks and physical gold prices can move in opposite directions, and correlation between the two can be less than perfect.

There are a number of potential benefits to investing in gold through stocks. Some investors have a hard time with the fact that physical gold will never make a distribution or generate a cash flow; gold miner stocks make dividends and report earnings, which can make valuation more straightforward. Also, gold miner stocks tend to trade as leveraged plays on spot gold prices; investors seeking to ramp up exposure may prefer to use stocks instead of the physical metal.

There are a few interesting alternatives in the space to the ultra-popular GDX. Perhaps the most intriguing of those is GGGG, a product from Global X that focuses more narrowly on firms that derive the vast majority of their revenues from gold mining. As such, mining firms with significant operations revolving around silver or other industrial or precious metals are excluded from that fund, which generally includes a much more meaningful tilt towards smaller companies. For investors looking to isolate gold exposure and maximize the correlation to the precious metal--without including silver, copper, or other metals--GGGG might be preferable to GDX.

ETF TRENDS ETF DATABASE

ESG Themes and Scores

6.32/10	44.24%	31.61%
ESG Rate	Global Percentile	Peer Percentile

Performance Data

	GDX	ETF Database Category Average	Factset Segment Average
1 Month	5.66%	1.19%	3.16%
3 Month	9.27%	2.23%	5.25%
YTD Return	16.70%	5.48%	12.68%
1 Year Return	16.21%	4.67%	9.66%
3 Year Return	4.71%	1.45%	1.01%
5 Year Return	6.48%	6.94%	3.21%

Top 5 Holdings

Symbol	Holding	% Assets
NEM	Newmont Corporation	14.34%
AEM	Agnico Eagle Mines Limited	9.69%
GOLD	Barrick Gold Corporation	8.45%
WPM	Wheaton Precious Metals Corp	7.08%
FNV	Franco-Nevada Corporation	6.30%

Vitals

Issuer	VanEck
Brand	VanEck
Structure	ETF
Expense Ratio	0.51%
Inception	May 16, 2006
Index Tracked	NYSE Arca Gold Miners

ETF Database Themes

Category	Materials
Asset Class	Equity
Asset Class Size	Multi-Cap
Asset Class Style	Blend
Region (General)	Developed Markets
Region (Specific)	Broad

FactSet Classifications

Segment	Equity: Global Gold Miners
Category	Sector
Focus	Materials
Niche	Gold Miners
Strategy	Vanilla
Weighting	Market Cap

As of 2024-07-28