

Portfolio Diversification with Municipal Bonds

Historically investment-grade and high-yield municipal bonds have had low correlations with other asset classes, as low as -0.01 during the past five years, suggesting that munis may potentially serve as effective portfolio diversifiers.

Five-Year Correlation Matrix: September 2008 – September 2013

		1	2	3	4	5	6	7	8	9
1	Barclays Municipal Bond Index	1.00	0.63	0.33	0.50	-0.00	-0.01	0.20	0.16	0.08
2	Barclays Municipal Bond - High Yield Index	0.63	1.00	-0.16	0.09	0.24	0.19	0.25	0.36	0.26
3	Barclays U.S. Government Bond Index	0.33	-0.16	1.00	0.86	-0.26	-0.32	-0.10	-0.18	-0.19
4	Barclays U.S. Aggregate Bond Index	0.50	0.09	0.86	1.00	0.06	-0.01	0.24	0.22	0.18
5	S&P 500 Index	-0.00	0.24	-0.26	0.06	1.00	0.95	0.83	0.85	0.91
6	Russell 2000 Index	-0.01	0.19	-0.32	-0.01	0.95	1.00	0.85	0.83	0.86
7	MSCI U.S. REIT Index	0.20	0.25	-0.10	0.24	0.83	0.85	1.00	0.75	0.80
8	MSCI Emerging Markets (EM) Index	0.16	0.36	-0.18	0.22	0.85	0.83	0.75	1.00	0.91
9	MSCI EAFE Index	0.08	0.26	-0.19	0.18	0.91	0.86	0.80	0.91	1.00

Source: FactSet. As of 9/30/13

Correlation describes a complementary or parallel relationship between two investments. The correlation coefficient is a measure that determines the degree to which two variables' movements are associated and will vary from -1.0 to 1.0. -1.0 indicates perfect negative correlation, and 1.0 indicates perfect positive correlation. **Historical information is not indicative of future results; current data may differ from data quoted.** The listed indices are unmanaged and are not securities, in which an investment can be made.

See reverse for asset class and index descriptions.

ABOUT VAN ECK GLOBAL

Founded in 1955, Van Eck Associates Corporation was among the first U.S. money managers helping investors achieve greater diversification through global investing.

Today, the firm continues this tradition by offering innovative, actively managed investment choices in hard assets, emerging markets, precious metals including gold, and other alternative asset classes. Van Eck Global's mutual funds are sold nationwide through retail brokers, financial planners and investment advisors.

Designed for investors seeking innovative choices for portfolio diversification, they are often categorized in asset classes having returns with low correlations to those of more traditional U.S. equity and fixed income investments.

Van Eck Global also offers ETFs, ETNs, separate accounts and alternative investments. In addition, it offers Variable Insurance Portfolios (VIPs), a series of investment choices within the variable annuity contracts and variable life policies of widely known and highly regarded insurers.

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Please note that Van Eck Securities Corporation offers ETFs (“Funds”) that invest in the asset class included in this report.

Municipal bonds are subject to risks related to litigation, legislation, political change, conditions in underlying sectors or in local business communities and economies, bankruptcy or other changes in the issuer's financial condition, and/or the discontinuance of taxes supporting the project or assets or the inability to collect revenues for the project or from the assets. Bonds and bond funds will decrease in value as interest rates rise. Additional risks include credit, interest rate, call, reinvestment, tax, market and lease obligation risk. High-yield municipal bonds are subject to greater risk of loss of income and principal than higher-rated securities, and are likely to be more sensitive to adverse economic changes or individual municipal developments than those of higher-rated securities.

The income generated from some types of municipal bonds may be subject to state and local taxes as well as to federal taxes on capital gains and may be subject to alternative minimum tax.

Barclays Municipal Bond Index covers the U.S. dollar-denominated, long-term tax exempt bond market and has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and pre-refunded bonds. **Barclays High-Yield Municipal Index** covers the U.S.-dollar denominated, non-investment grade, fixed rate, municipal bond market. **Barclays U.S. Government Bond Index** is composed of Treasuries (public obligations of the U.S. Treasury that have remaining maturities of more than one year) and U.S. agency debentures (publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government). **Barclays U.S. Aggregate Bond Index** is composed of the mortgage-backed and asset-backed securities indices and the government/credit bond index. **Standard and Poor's® (S&P®) 500 Index** is calculated with dividends reinvested and consists of 500 widely held common stocks covering in the leading industries of the U.S. economy. **Russell 2000 Index** measures the performance of U.S. small cap stocks: the 2000 smallest companies in the Russell 3000 index, a broad based index that represents approximately 98% of the value of the investable U.S. equity market. **Morgan Stanley Capital International (MSCI) U.S. REIT Index** is a capitalization-weighted index representing approximately 85% of the US REIT universe. **MSCI EAFE Index** is a capitalization-weighted index containing equity securities of companies located in Europe, Australasia and the Far East. **Morgan Stanley Capital International (MSCI) Emerging Markets Index**, calculated with dividends reinvested, covers 2,700 securities in 21 markets that are currently classified as emerging market countries.

Fixed income investments have interest rate risk, which refers to the risk that bond prices generally fall as interest rates rise and vice versa. U.S. government bonds are guaranteed by the full faith and credit of the United States government. Municipal, corporate, agency and mortgage-backed bonds are not guaranteed by the full faith and credit of the United States and carry the credit risk of the issuer. Municipal bonds are exempt from federal taxes and often state and local taxes. U.S. Treasuries are exempt from state and local taxes, but subject to federal taxes. Other securities listed are subject to federal, state and local taxes. Prices of equity securities change in response to many factors, including the historical and prospective earnings of the issuer, the value of its assets, general economic conditions, interest rates, investor perceptions and market liquidity. Prices of bonds change in response to factors such as interest rates and issuer's credit worthiness, among others. Investing in smaller companies involves risks not associated with investing in more established companies such as business risk, stock price fluctuations and illiquidity.

Fund shares are not individually redeemable and will be issued and redeemed at their NAV only through certain authorized broker-dealers in large, specified blocks of shares called “creation units” and otherwise can be bought and sold only through exchange trading. Creation units are issued and redeemed principally in kind. Shares may trade at a premium or discount to their NAV in the secondary market. You will incur brokerage expenses when trading Fund shares in the secondary market. Past performance is no guarantee of future results. Returns for actual Fund investments may differ from what is shown because of differences in timing, the amount invested and fees and expenses.

Investing involves substantial risk and high volatility, including possible loss of principal. Bonds and bond funds will decrease in value as interest rates rise. An investor should consider the investment objective, risks, charges and expenses of the Fund carefully before investing. To obtain a prospectus and summary prospectus, which contains this and other information, call 888.MKT.VCTR or visit marketvectorsetfs.com/etf. Please read the prospectus and summary prospectus carefully before investing.

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