

INVESTORS HAVE LONG RECOGNIZED THE STRENGTH OF GOLD, WHICH HAS A HISTORY OF MAINTAINING VALUE THROUGH PERIODS INFLATION OF BROAD MARKET VOLATILITY.



## Understanding Gold and Precious Metals

Precious metals include gold, silver and platinum. They are distinguished from base metals in that they have higher luster and are much rarer in nature. They are prized for their investment value and mainly used in jewelry, electronics and as catalysts.

## Why Invest in Gold and Other Precious Metals?

Research has shown that precious metals, gold in particular, have unique economic fundamentals and cycles. Long term, an allocation to precious metals may provide diversification benefits that can potentially increase a portfolio's return and reduce its volatility. Other reasons to consider investments in precious metals include:

Demand Catalysts	Supply Catalysts	Economic Catalysts
Growing demand of coins, bars and bullion ETFs	Depletion rates increasing; lower central bank supply	Economic imbalances (debt repayment, weak consumption, government deficits)
Many paper assets (i.e. derivatives/currencies) have failed to preserve wealth	Lower mine production; many mines reaching declining years	U.S. dollar weakness; potential inflation from fiscal and monetary stimulus
Central banks looking to diversify dollar holdings	Gold deposits increasingly difficult to find in remote corners of the world	Geopolitical risks; food inflation in emerging markets

Represents the opinion of the portfolio manager. Not intended to be a forecast of future events, a guarantee of future results or investment advice. Current market conditions may not continue.

## Why Invest in Gold Equities?

Investors can gain gold-equities exposure by investing in a mutual fund or an exchange-traded fund, or purchasing a precious metals-oriented security. We believe that gold equities can provide investment opportunities arising from:

- **Leverage:** Mining companies' profits are more sensitive to gold price variability (profits are net of the costs of mining)
- **Higher beta<sup>1</sup>:** Gold shares tend to outperform bullion in gold bull markets/underperform in gold bear markets
- **Security valuations:** Equities may be "cheap" relative to historical prices and may offer value relative to underlying commodity prices
- **Vertical diversification:** Exploration, development, production

<sup>1</sup>Beta is a measure of sensitivity to market movements.

## Why the Van Eck International Investors Gold Fund (INIVX)?

Van Eck offers the International Investors Gold Fund (INIVX), the nation's first gold equities open-ended mutual fund. The Fund seeks long-term capital appreciation by investing mainly in the stocks of gold-mining companies.

## THREE POINTS TO REMEMBER ABOUT THE VAN ECK INTERNATIONAL INVESTORS GOLD FUND

- Exposure to gold, a distinct asset class typically fueled by robust industrial, investment and jewelry demand as well as by ongoing supply constraints
- May provide a hedge against financial assets in volatile markets or inflationary periods
- Specialized investment team conducts continuous on- and under-the-ground research to access mining efficiencies and opportunities

## Investment Management Team

Van Eck has long been considered a leader in the gold-related investments and has been managing gold products since 1968. Joseph Foster, with over 20 years of gold-related investment experience and formal training as a geologist, has been involved in managing the firm's flagship gold fund since 1996. He is supported by Metals and Mining Analyst, Charl Malan.

## Investment Process

- Stock selection emphasized with top-down overlay
  - Quantitative foundation coupled with qualitative judgment
- Review mining firms building reserves and raising production levels
  - Revise list based on company research, bullion/country analysis
  - Seek opportunities in the junior mining sector
  - Focus on unhedged producers (for gold price leverage)
- Risk control/portfolio construction
  - Adjust exposure to bullion when needed
  - Monitor exposure to political risk
  - Results in 50-60 stocks

"Historically, gold has performed well during periods of inflation. Fiscal and monetary policies implemented in the wake of the financial crisis of 2008 may have increased the potential for inflation. Gold might also benefit from U.S. dollar weakness caused by a trend amongst foreign banks and investors to diversify their holdings away from the dollar."

~Joe Foster,  
Portfolio Manager

The portfolio manager may change the methods for evaluating companies, investment strategies and markets at any time and over time.

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, including the takeover of property without adequate compensation or imposition of prohibitive taxation. The Fund is subject to risks associated with investments in debt securities, derivatives, commodity linked instruments, illiquid securities, asset-backed securities, CMOs and small- or mid-cap companies. The Fund is also subject to inflation risk, short-sales risk, market risk, non-diversification risk, leverage risk, credit risk and counterparty risk. Please see the prospectus for information on these and other risk considerations.

**Investing involves risk, including possible loss of principal. The Van Eck Funds are subject to risk unique to foreign investing including currency fluctuation, different financial and regulatory standards and political instability. An investor should consider investment objectives, risks, charges and expenses of the investment company carefully before investing. To obtain a prospectus and summary prospectus, which contains this and other information, call 1.800.826.2333 or visit vaneck.com. Please read the prospectus and summary prospectus carefully before investing.**

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