

Media contact

Erin Taylor

e.taylor@fcr.com.au

+61 2 8264 1007

+61 416 366 703

MEDIA RELEASE**Experts say 2014: Spotlight turning to resources shares: gold**

Sydney, 13 February 2014 – Investors are turning to resources shares as a source of potential strong gains in 2014 and over the longer term, according to Russel Chesler, Director Investments & Portfolio Strategy from Market Vectors ETFs, the exchange traded funds business of Van Eck Global.

“We believe demand for commodities will continue, driven by growth in emerging markets and resurgence in developed market consumption. This together with possible near-term merger and acquisitions activity should support the value of Australian resources companies this year, which are well positioned for any upturn,” said Mr Chesler.

“Investors want to be part of an upswing if it comes and they are turning to resources companies as a source of expected gains. The sector is also currently delivering income yields well in excess of inflation, making it even more attractive. Values are relatively low at present and we could see some mergers and acquisitions activity in the sector. Some of the smaller resources companies may have assets of interest to the big companies, which are reviewing costs to improve business profitability,” Mr Chesler said.

Shawn Reynolds, co-portfolio manager for Van Eck’s global resources strategy commented:

“Globally, we’re not running out of commodities but we’re running out of cheap commodities. It has become increasingly difficult and more expensive to develop new supplies of natural resources. Consequently, we think that commodity prices will likely rise in the long run and we believe emerging markets’ demand will continue to underpin that growth over the next 10 to 20 years,” Mr Reynolds said.

According to Mr Reynolds, gold stocks could also rebound this year, building on the rally of recent weeks. The precious metal fell 28% in 2013, its largest calendar-year decline in 32 years. “We believe gold is forming an important base around the US\$1,200 per ounce level and this recent resilience adds to our conviction,” Mr Reynolds said.

“2014 may be a year of mean reversion for the gold sector. While it may take a year or two for this to fully develop as GDP growth returns to historic norms, we could see destabilising levels of asset inflation, consumer price inflation, or other dislocations in the global economy create new risks that are supportive of gold and gold shares,” Mr Reynolds said.

“Easy monetary policies may be creating new financial bubbles in equities or other assets. It is probably prudent to start thinking about inflation, since it has fallen off many investors’ radars.

“We believe gold mining companies are well positioned for an improvement in the gold market. They’ve been struggling with rising costs for years now. Those costs are coming under control now with new managements. They are looking for better returns out of the projects they build and they are executing with better capital discipline,” Mr Reynolds said.

Market Vectors ETFs provide investors with two easy ways to access the growth and yield potential offered by the Australian resources sector.

“Market Vectors Resources ETF (ASX code: [MVR](#)) gives investors direct exposure to 32 of the largest and most liquid ASX-listed resources companies via a single trade on the ASX. The fund provides greater diversification and lower pricing than other resources sector based ETFs in the market. MVR caps an individual company’s weight at 8% of the portfolio, reducing the large capitalisation bias to BHP Billiton found in traditional market capitalisation weighted indices,” Mr Chesler explains. “The dividend yield for MVR as at 31 January 2014 was 3.36%.”

“Market Vectors Australian Emerging Resources ETF (ASX code: MVE) is the first ETF in Australia to give investors targeted exposure to small-cap resources companies. MVE gives investors direct exposure to the 64 most liquid ASX-listed small-cap resources companies via a single trade on the ASX and also caps an individual company’s weight at 8%. The dividend yield for MVE was 3.28% as at 31 January 2014,” Mr Chesler said.

“ETFs are easy to access via the ASX, can be bought and sold just like trading a share, and investors receive the same benefits as holding the underlying shares directly, including dividend income and franking credits. In this way, MVR and MVE can be used as building blocks in a portfolio to gain a truly diversified exposure to the potential growth and yield opportunities that we see currently exist in the Australian resources sector,” Mr Chesler said.

ENDS

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Market Vectors exchange traded products have been offered since 2006 and span many asset classes, including equities, fixed income (municipal and international bonds) and currency markets. The Market Vectors family totalled US\$22 billion in assets under management, making it the seventh largest ETP family in the US and tenth largest worldwide as of 31 December, 2013. Market Vectors Australia is a wholly owned subsidiary of Van Eck Global.

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