

High-Yield Municipal Index ETF (HYD)

▶ 2Q 2010

Fund Description

The High-Yield Municipal Index ETF (HYD) seeks to replicate as closely as possible, before fees and expenses, the price and yield performance of the **Barclays Capital Municipal Custom High Yield Composite Index**. HYD is the nation's first ETF to focus on high-yield munis, and tracks an index that has a 25% weighting in investment-grade triple-B bonds and 75% weighting in non-investment grade bonds. In addition, 75% of the index is in bonds issued as part of transactions of at least \$100 million in size.

Performance History (%)

AS OF JUNE 30, 2010		LIFE ¹	1MO	3MO	YTD	1YR	3YR	5YR
INDEX		22.35%	0.25%	2.89%	6.77%	21.12%	n.a.	n.a.
THE FUND	NAV	21.61%	0.29%	2.41%	5.70%	20.65%	n.a.	n.a.
	SHARE PRICE	22.10%	0.55%	2.07%	4.96%	18.76%	n.a.	n.a.
AFTER TAX HELD		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
AFTER TAX SOLD		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

¹Commencement Date: February 04, 2009

Calendar Year Returns (%)

AS OF DECEMBER 31, 2009	2006	2007	2008	2009
Barclays Capital Municipal Custom High Yield Composite Index	n.a.	n.a.	n.a.	n.a.
Barclays Capital U.S. Municipal Index	4.84%	3.36%	-2.47%	12.91%
Barclays Capital U.S. Corporate High Yield Index	11.85%	1.87%	-26.16%	58.21%
S&P 500 Index	15.78%	5.49%	-36.99%	26.47%

The performance data quoted represents past performance. Past performance is not a guarantee of future results. Performance information for the Fund reflects temporary waivers of expenses and/or fees. Had the Fund incurred all expenses, investment returns would have been reduced. Investment return and value of the shares of the Fund will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. Performance may be lower or higher than performance data quoted. Fund returns reflect dividends and capital gains distributions. Performance current to the most recent month-end is available by calling 888.MKT.VCTR or by visiting vaneck.com/muni.

After Tax Held Returns represent return after taxes on distributions and assumes shares have not been sold. After Tax Sold Returns represent the return after taxes on distributions and the sale of fund shares. After Tax on Distributions assumes share have not been sold. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. The after-tax returns shown are not relevant to investors who hold their fund shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.

Fund Details

FUND TICKER	HYD
INTRADAY NAV (IIV)	HYD.IV
GROSS EXPENSE RATIO	0.71%
NET EXPENSE RATIO²	0.35%
EXCHANGE	NYSE Arca

²Expenses are capped contractually until 9/1/10. Cap excludes certain expenses, such as interest.

30-Day Yield

30-DAY YIELD	5.75%
TAX EQUIVALENT YIELD:³	
Tax rate 15%	6.76%
Tax rate 25%	7.67%
Tax rate 28%	7.99%
Tax rate 33%	8.58%
Tax rate 35%	8.85%

³Tax equivalent yields estimate what you would have to earn on a taxable investment to equal the Fund's tax-exempt yield for a given tax rate. TEYs do not reflect tax credits, exemptions, limits on itemized deductions or federal and/or state alternative minimum taxes. For state specific funds, TEYs assume investors are state residents and take an itemized deduction for state income taxes on their federal tax returns. For NY funds, TEYs reflect NYC income taxes and treat them the same as state taxes.

Distribution Schedule

DIVIDENDS	Monthly
CAPITAL GAINS	Annually

Index returns assume the reinvestment of all income and do not reflect any management fees or brokerage expenses associated with Fund returns. Returns for actual Fund investors may differ from what is shown because of differences in timing, the amount invested and fees and expenses. You cannot invest directly in an Index.

▶ **Data Points**

	INDEX DETAILS	FUND DETAILS
AVERAGE YIELD TO WORST*	6.38	6.95
AVERAGE MODIFIED DURATION*	8.50	8.72
AVERAGE YEARS TO MATURITY*	18.01	20.55
AVERAGE COUPON*	5.63	5.75
SUBJECT TO ALTERN. MINIMUM TAX	Yes	Yes
NUMBER OF ISSUES	5,525	82
MARKET VALUE/TOTAL NET ASSETS	\$152.9B	\$164.7M

*Averages are market weighted.

▶ **Index Sector Breakdown**

HEALTH CARE	24.4%
INDUSTRIAL DEVELOPMENT	19.0%
SPECIAL TAX	12.3%
AIRLINES	11.8%
TOBACCO	6.9%
TRANSPORTATION	6.3%
LEASES	4.5%
POWER	3.8%
EDUCATION	3.5%
STATE GENERAL OBLIGATION	2.4%
LOCAL GOVERNMENT	2.1%
WATER & SEWER	1.7%
HOUSING	0.9%
RESOURCE RECOVERY	0.2%
TOTAL	100.0%

⁴Composite S&P ratings provided by Barclays; equivalent Fitch and Moody's ratings are BBB/Baa for investment grade and BB/Ba, B/B, CCC/Caa, CC/Ca and C/C for non-investment grade.

The Barclays Capital U.S. Municipal 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. Index data source: Barclays Capital.

The Barclays Capital U.S. Corporate High-Yield Index covers the U.S.-dollar denominated, non-investment grade, fixed-rate, taxable corporate bond market and includes securities with ratings by Moody's, Fitch and S&P of Ba1/BB+/BB+ or below. Index data source: Barclays Capital.

The S&P[®] 500 Index is calculated with dividends reinvested and consists of 500 leading companies in leading industries in the U.S. economy. Index data source: Bloomberg.

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. Municipal bonds may be less liquid than taxable bonds. There is no guarantee that the Fund's income will be exempt from federal or state income taxes, and changes in those tax rates or in alternative minimum tax rates or in the tax treatment of municipal bonds may make them less attractive as investments and cause them to lose value. Capital gains, if any, are subject to capital gains tax.

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.

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

Barclays Capital does not sponsor, endorse, or promote the Fund and bears no liability with respect to any such Fund or security.

▶ **Credit Quality⁴**

INVESTMENT GRADE	BBB	25.0%
	BB	23.2%
	B	10.1%
NON-INVESTMENT GRADE	CCC	7.9%
	CC	0.1%
	C	0.1%
	NOT RATED	33.6%

MARKET VECTORS™ ETFs

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Van Eck Securities Corporation, Distributor

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▶ FUND TICKER HYD

▶ 888.MKT.VCTR

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