

▶ 2Q 2010

# Pre-Refunded Municipal Index ETF (PRB)

## ▶ Fund Description

The Pre-Refunded Municipal Index ETF seeks to replicate as closely as possible, before fees and expenses, the price and yield performance of the **Barclays Capital Municipal Pre-Refunded-Treasury-Escrowed Index**. The bonds in this index have been refinanced by their issuers, and their principal and interest are funded from escrowed U.S. Treasury securities. As such, PRB combines the credit quality available in the municipal market with the tax advantages of municipal bonds to potentially meet the needs of today's risk-averse investor.

## ▶ Performance History (%)

AS OF JUNE 30, 2010		LIFE <sup>1</sup>	1MO	3MO	YTD	1YR	3YR	5YR
<b>INDEX</b>		2.75%	0.31%	1.32%	1.35%	3.61%	n.a.	n.a.
<b>THE FUND</b>	NAV	2.34%	0.36%	1.41%	1.41%	3.50%	n.a.	n.a.
	SHARE PRICE	1.96%	0.28%	0.52%	0.80%	3.00%	n.a.	n.a.
<b>AFTER TAX HELD</b>		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>AFTER TAX SOLD</b>		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

<sup>1</sup>Commencement Date: February 02, 2009. Annualized.

## ▶ Calendar Year Returns (%)

AS OF DECEMBER 31, 2009	2006	2007	2008	2009
Barclays Capital Municipal Pre-Refunded-Treasury-Escrowed 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 1-3 Year U.S. Treasury Index	3.92%	7.31%	6.67%	0.80%
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](http://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	PRB
INTRADAY NAV (IIV)	PRB.IV
GROSS EXPENSE RATIO	1.26%
NET EXPENSE RATIO <sup>2</sup>	0.24%
EXCHANGE	NYSE Arca

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

## ▶ 30-Day Yield

30-DAY YIELD	0.90%
TAX EQUIVALENT YIELD: <sup>3</sup>	
Tax rate 15%	1.06%
Tax rate 25%	1.20%
Tax rate 28%	1.25%
Tax rate 33%	1.34%
Tax rate 35%	1.38%

## ▶ 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*	1.07	1.39
AVERAGE MODIFIED DURATION*	3.03	3.01
AVERAGE YEARS TO MATURITY*	3.52	3.33
AVERAGE COUPON*	5.18	5.04
SUBJECT TO ALTERN. MINIMUM TAX <sup>4</sup>	No	No
NUMBER OF ISSUES	3,225	82
MARKET VALUE/TOTAL NET ASSETS	\$93.6B	\$36.7M
AVERAGE CREDIT QUALITY	AAA/AAA	Aa2/AAA-

\*Averages are market weighted.

▶ **Index Top Ten Geogr. Breakdown**

CALIFORNIA	16.92%
NEW YORK	11.34%
NEW JERSEY	10.87%
PUERTO RICO	5.52%
PENNSYLVANIA	4.96%
TEXAS	4.81%
MASSACHUSETTS	4.68%
ILLINOIS	3.79%
MICHIGAN	3.00%
FLORIDA	2.46%

<sup>3</sup> Tax 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 an/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.

<sup>4</sup> A portion of the dividends you receive may be subject to federal, state, or local income taxes or may be subject to the federal alternative minimum tax.

Index statistics are provided by Barclays Capital.

The Barclays Capital 1-3 Year U.S. Treasury Index is a market-value weighted index designed to measure the performance of the short-term sector of the U.S. Treasury market and includes all publicly issued Treasury securities with remaining maturities of between 1 and 3 years. Ticker: LT-01TRUU

The Barclays Capital U.S. Municipal Index is a market-value weighted index designed to measure the performance of the broad tax-exempt market and includes investment-grade municipal issues that are national in scope and have remaining maturities of greater than 1 year. Ticker: LMBITR

The S&P<sup>®</sup> 500 Index is calculated with dividends reinvested and consists of 500 leading companies in leading industries in the U.S. economy.

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. Interest and principal payments for pre-refunded bonds are funded from securities in an escrow account. The escrowed securities do not guarantee the price of these bonds. 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](http://vaneck.com/muni). Please read the prospectus carefully before investing.**

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