

PROSPECTUS

SEPTEMBER 1, 2009



MARKET VECTORS

High-Yield Municipal Index ETF (HYD)

Intermediate Municipal Index ETF (ITM)

Long Municipal Index ETF (MLN)

Pre-Refunded Municipal Index ETF (PRB)

Short Municipal Index ETF (SMB)

**SUPPLEMENT DATED MARCH 10, 2010 TO THE
PROSPECTUS OF
MARKET VECTORS ETF TRUST
Dated September 1, 2009**

This Supplement updates certain information contained in the above-dated Prospectus for Market Vectors ETF Trust (the “Trust”) regarding Market Vectors High-Yield Municipal Index ETF, Market Vectors Intermediate Municipal Index ETF, Market Vectors Long Municipal Index ETF, Market Vectors Pre-Refunded Municipal Index ETF and Market Vectors Short Municipal Index ETF (the “Funds”), each a series of the Trust. You may obtain copies of the Funds’ Prospectus free of charge, upon request, by calling toll-free 1.800.826.2333 or by visiting the Van Eck website at www.vaneck.com.

The paragraph under the heading “Shareholder Information—Creation and Redemption of Creation Units—Creation Transaction Fee” is deleted in its entirety and replaced with the following:

A fixed Creation Transaction Fee of \$500, which is paid to each Fund, is applicable to each transaction regardless of the number of Creation Units purchased in the transaction. In addition, a variable charge of up to four times the Creation Transaction Fee will be imposed to the extent that cash is used in lieu of securities to purchase Creation Units. In the case of cash creations or where the Trust permits or requires a creator to substitute “cash in lieu” of depositing a portion of the Deposit Securities, the creator may be assessed an additional variable charge of up to 0.25% (3% with respect to Market Vectors High-Yield Municipal Index ETF) of the value of each Creation Unit to compensate the Funds for the costs associated with purchasing the applicable securities. See “Creation and Redemption of Creation Units” in the Funds’ SAI. The price for each Creation Unit will equal the daily NAV per Share times the number of Shares in a Creation Unit plus the fees described above and, if applicable, any transfer taxes. Shares of the Funds may be issued in advance of receipt of all Deposit Securities subject to various conditions, including a requirement to maintain on deposit with the applicable Fund cash at least equal to 115% of the market value of the missing Deposit Securities. See “Creation and Redemption of Creation Units” in the Funds’ SAI.

The first paragraph under the heading “Shareholder Information—Creation and Redemption of Creation Units—Redemption Transaction Fee” is deleted in its entirety and replaced with the following:

The Redemption Transaction Fee of \$500 is deducted from such redemption proceeds. Should the Fund Securities have a value greater than the NAV of Shares being redeemed, a compensating cash payment to the Trust equal to the differential, plus the applicable Redemption Transaction Fee and, if applicable, any transfer taxes will be required to be arranged for by or on behalf of the redeeming shareholder. The basic Redemption Transaction Fee is the same no matter how many Creation Units are being redeemed pursuant to any one redemption request. An additional charge up to four times the Redemption Transaction Fee will be charged for cash redemptions or partial cash redemptions. An additional variable charge of up to 0.25% (3% with respect to Market Vectors High-Yield Municipal Index ETF) of the value of each Creation Unit for cash redemptions or partial cash redemptions may also be imposed to compensate the Funds for the costs associated with selling the applicable securities. The Funds may adjust these fees from time to time based upon actual experience. Although a shareholder in the Fund may request a cash redemption in lieu of securities, the Fund may, in its discretion, reject any such request. Investors who use the services of a broker or other such intermediary may be charged a fee for such services. Investors should refer to “Creation and Redemption of Creation Units” in the Funds’ SAI for details regarding the logistics of redemption orders.

Please retain this supplement for future reference.

MARKET VECTORS ETF TRUST

The Securities and Exchange Commission (“SEC”) has not approved or disapproved these securities or passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense.

This Prospectus offers shares of the Market Vectors ETF Trust. The Trust currently has 29 investment portfolios. This Prospectus relates to shares of only five portfolios: Market Vectors High-Yield Municipal Index ETF, Market Vectors Intermediate Municipal Index ETF, Market Vectors Long Municipal Index ETF, Market Vectors Pre-Refunded Municipal Index ETF and Market Vectors Short Municipal Index ETF.

No person has been authorized to give any information or to make any representations other than those contained in this Prospectus in connection with the offer of a Fund’s shares, and, if given or made, the information or representations must not be relied upon as having been authorized by the Funds. Neither the delivery of this Prospectus nor any sale of shares of a Fund shall under any circumstance imply that the information contained herein is correct as of any date after the date of this Prospectus.

Dealers effecting transactions in a Fund’s shares, whether or not participating in this distribution, may be generally required to deliver a Prospectus. This is in addition to any obligation of dealers to deliver the Prospectus when acting as underwriters.

Market Vectors High-Yield Municipal Index ETF, Market Vectors Intermediate Municipal Index ETF, Market Vectors Long Municipal Index ETF, Market Vectors Pre-Refunded Municipal Index ETF and Market Vectors Short Municipal Index ETF are distributed by Van Eck Securities Corporation and seek to track the Barclays Capital Municipal Custom High Yield Composite Index, Barclays Capital AMT-Free Intermediate Continuous Municipal Index, Barclays Capital AMT-Free Long Continuous Municipal Index, Barclays Capital Municipal Pre-Refunded–Treasury-Escrowed Index and Barclays Capital AMT-Free Short Continuous Municipal Index, respectively, each of which is published by Barclays Capital Inc. (the “Index Provider”). The Index Provider does not sponsor, endorse, or promote the Funds and bears no liability with respect to any such Funds or security.

The information contained herein regarding the Barclays Capital Municipal Custom High Yield Composite Index, Barclays Capital AMT-Free Intermediate Continuous Municipal Index, Barclays Capital AMT-Free Long Continuous Municipal Index, Barclays Capital Municipal Pre-Refunded–Treasury-Escrowed Index and Barclays Capital AMT-Free Short Continuous Municipal Index was provided by the Index Provider, while the information contained herein regarding the securities markets and The Depository Trust Company (“DTC”) was obtained from publicly available sources.

This Prospectus, dated September 1, 2009, explains concisely the information you ought to know before investing in a Fund. We suggest that you keep it for future reference.

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Market Vectors ETF Trust (the “Trust”) is an open-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”), currently consisting of 29 investment portfolios. This Prospectus relates to the following five portfolios of the Trust: Market Vectors High-Yield Municipal Index ETF, Market Vectors Intermediate Municipal Index ETF, Market Vectors Long Municipal Index ETF, Market Vectors Pre-Refunded Municipal Index ETF and Market Vectors Short Municipal Index ETF (each a “Fund” and together, the “Funds”). Van Eck Associates Corporation (the “Adviser”) is the investment adviser to the Funds.

The shares of the Funds (the “Shares”) are listed for trading on NYSE Arca, Inc. (“NYSE Arca”), and trade in the secondary market at prices that may differ to some degree from the net asset value (“NAV”) of the Shares. Unlike conventional mutual funds, the Trust issues and redeems Shares of the Funds on a continuous basis at NAV only in large specified blocks each called a Creation Unit. Creation Units are issued and redeemed in cash and/or in-kind for securities generally included in each Fund’s respective index. Except when aggregated in Creation Units, Shares are not redeemable securities of the Trust.

The Funds may be suitable for long-term investment in the market or market segment represented by each Fund’s respective Index. Shares of the Funds may also be used as an asset allocation or speculative trading vehicle. Unlike many conventional mutual funds which are only bought and sold at closing NAVs, the Shares have been designed to be tradable in a secondary market on an intraday basis and to be created and redeemed in cash and/or in-kind in Creation Units at each day’s market close.

Principal Investment Objective and Strategies

Investment Objective. The Fund's investment objective is 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 (the "High Yield Index"). For a further description of the High Yield Index, see "Barclays Capital Municipal Custom High Yield Composite Index."

Principal Investment Policy. The Fund will normally invest at least 80% of its total assets in securities that comprise the benchmark index. A lesser percentage may be so invested to the extent that the Adviser needs additional flexibility to comply with the requirements of the U.S. Internal Revenue Code of 1986, as amended (the "Internal Revenue Code") and other regulatory requirements. This 80% investment policy is non-fundamental and requires 60 days' prior written notice to shareholders before it can be changed.

The Fund has adopted a fundamental investment policy to invest at least 80% of its assets in investments suggested by its name. For purposes of this policy, the term "assets" means net assets plus the amount of any borrowings for investment purposes. This percentage limitation applies at the time of the investment. The Board of Trustees of the Trust may change the Fund's investment strategy, index and other policies without shareholder approval, except as otherwise indicated.

Indexing Investment Approach. The Fund is not managed according to traditional methods of "active" investment management, which involve the buying and selling of securities based upon economic, financial and market analysis and investment judgment. Instead, the Fund, utilizing a "passive" or indexing investment approach, attempts to approximate the investment performance of the High Yield Index.

The Fund uses a sampling approach in seeking to achieve its investment objective. Sampling means that the Adviser uses quantitative analysis to select municipal bonds and other securities that represent a sample of securities in the High Yield Index in terms of key risk factors, performance attributes and other characteristics. The quantity of holdings in the Fund will be based on a number of factors, including asset size of the Fund. The Adviser generally expects the Fund to hold less than the total number of securities in the High Yield Index, but reserves the right to hold as many securities as it believes necessary to achieve the Fund's investment objective.

In addition, from time to time, securities are added to or removed from the High Yield Index. The Fund may sell securities that are represented in the High Yield Index, or purchase securities that are not yet represented in the High Yield Index, in anticipation of their removal from or addition to the High Yield Index. Further, the Adviser may choose to overweight securities, purchase or sell securities not in the High Yield Index, or utilize various combinations of other available investment techniques, in seeking to track the High Yield Index.

Sales as a result of High Yield Index changes could result in the realization of short or long-term capital gains by the Fund thereby resulting in a tax liability for shareholders subject to U.S. federal income tax. See “Shareholder Information–Tax Matters.”

Eligibility Criteria. To be included in the High Yield Index, 75% of the bonds must be unrated or rated below investment-grade (Ba1/BB+ or lower) by at least two of the following rating agencies if all three rate the bond: Moody’s Investors Service, Inc. (“Moody’s”), Standard & Poor’s (“S&P”) and Fitch Inc. (“Fitch”). If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. If only one of the three agencies rates a security, the rating must be below investment-grade. In addition, the remaining 25% of the bonds must have a Barclays Capital Index Rating between Baa1/BBB+ and Baa3/BBB-. The Barclays Capital Index Rating is based on the three rating agencies. If two of the three agencies rate the bond equivalently, then that rating is used. If all three rate the bond differently, the middle rating is used. If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. If only one of the three agencies rates a security, the rating must be Baa1/BBB+, Baa2/BBB, or Baa3/BBB-.

Non-Diversified. The Fund is a separate investment portfolio of the Trust, which is an open-end investment company registered under the 1940 Act. The Fund is classified as a “non-diversified” investment company under the 1940 Act. As a result, the Fund is subject to the risk that it will be more volatile than a diversified fund because the Fund may invest its assets in a smaller number of issuers or may invest larger proportions of the assets of the Fund in a single company within the industries that comprise the High Yield Index. As a result, the gains and losses on a single security may have a greater impact on the Fund’s NAV and may make the Fund more volatile than diversified funds.

Fundamental and Non-Fundamental Policies. The Fund’s investment objective and each of the other investment policies are non-fundamental policies that may be changed by the Board of Trustees without shareholder approval, except as noted in the Statement of Additional Information (“SAI”) under the heading “Investment Policies and Restrictions–Investment Restrictions.”

Principal Risks of Investing in the Fund

Municipal Securities Risk. Municipal securities are subject to the risk that litigation, legislation or other political events, local business or economic conditions or the bankruptcy of the issuer could have a significant effect on an issuer's ability to make payments of principal and/or interest. In addition, there is a risk that, as a result of the current economic crisis, the ability of any issuer to pay, when due, the principal or interest on its municipal bonds may be materially affected.

Municipal securities can be significantly affected by political changes as well as uncertainties in the municipal market related to taxation, legislative changes or the rights of municipal security holders. Because many securities are issued to finance similar projects, especially those relating to education, health care, transportation and utilities, conditions in those sectors can affect the overall municipal market. In addition, changes in the financial condition of an individual municipal insurer can affect the overall municipal market.

Municipal securities backed by current or anticipated revenues from a specific project or specific assets can be negatively affected by the discontinuance of the taxation supporting the project or assets or the inability to collect revenues for the project or from the assets. If the Internal Revenue Service ("IRS") determines that an issuer of a municipal security has not complied with applicable tax requirements, interest from the security could become taxable and the security could decline significantly in value.

The market for municipal bonds may be less liquid than for taxable bonds. There may also be less information available on the financial condition of issuers of municipal securities than for public corporations. This means that it may be harder to buy and sell municipal securities, especially on short notice, and municipal securities may be more difficult for the Fund to value accurately than securities of public corporations. Since the Fund invests a significant portion of its portfolio in municipal securities, the Fund's portfolio may have greater exposure to liquidity risk than the Fund that invests in non-municipal securities.

High Yield Securities ("Junk Bonds") Risk. Junk bonds are subject to greater risk of loss of income and principal than higher rated securities. The prices of junk bonds are likely to be more sensitive to adverse economic changes or individual municipal developments than higher rated securities. During an economic downturn or substantial period of rising interest rates, junk bond issuers may experience financial stress that would adversely affect their ability to service their principal and interest payment obligations, to meet their projected business goals or to obtain additional financing. In the event of a default, the Fund may incur additional expenses to seek recovery. The secondary market for municipal securities that are junk bonds may be less liquid than the markets for higher

quality securities or junk bonds issued by corporate issuers and, as such, may have an adverse effect on the market prices of certain securities. The illiquidity of the market may also, at certain times, adversely affect the Fund's ability to arrive at a fair value for certain junk bonds. The illiquidity of the market also could make it difficult for the Fund to sell certain securities in connection with a rebalancing of the High Yield Index. In addition, periods of economic uncertainty and change probably would result in an increased volatility of market prices of high yield securities and a corresponding volatility in the Fund's NAV.

Credit Risk. Credit risk refers to the possibility that the issuer of a security will be unable or unwilling to make interest payments and/or repay the principal on its debt. In the case of revenue bonds, notes or commercial paper, for example, the credit risk is the possibility that the user fees from a project or other specified revenue sources are insufficient to meet interest and/or principal payment obligations. Private activity bonds used to finance projects, such as industrial development and pollution control, may also be negatively impacted by the general credit of the user of the project. The Fund may hold securities that are insured by a bond insurer. A downgrade of the credit rating of such bond insurer may cause the value of the insured security to decline.

Interest Rate Risk. Interest rate risk is the risk that the value of bonds will fall if interest rates increase. These securities typically fall in value when interest rates rise and rise in value when interest rates fall. Bonds with longer periods before maturity are often more sensitive to interest rate changes.

Call Risk. The Fund may invest in callable bonds, and such issuers may "call" or repay these securities with higher coupon or interest rates before the security's maturity date. If interest rates are falling, the Fund may have to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the Fund's income.

Private Activity Bonds Risk. The issuers of private activity bonds in which the Fund may invest may be negatively impacted by conditions affecting either the general credit of the user of the private activity project or the project itself. Conditions such as regulatory and environmental restrictions and economic downturns may lower the need for these facilities and the ability of users of the project to pay for the facilities. This could cause a decline in the Fund's value. The Fund's private activity bond holdings also may pay interest subject to the alternative minimum tax. See "Shareholder Information—Tax Matters" for more details.

Industrial Development Bond Risk. These revenue bonds are issued by or on behalf of public authorities to obtain funds to finance various public and/or privately operated facilities, including those for business and manufacturing, housing, sports, pollution control, airport, mass transit, port and parking facilities.

These bonds are normally secured only by the revenues from the project and not by state or local government tax payments. Consequently, the credit quality of these securities is dependent upon the ability of the user of the facilities financed by the bonds and any guarantor to meet its financial obligations. These bonds are subject to a wide variety of risks, many of which relate to the nature of the specific project. Generally, the value and credit quality of these bonds are sensitive to the risks related to an economic slowdown.

Special Tax Bond Risk. These revenue bonds are usually backed and payable through a single tax, or series of special taxes such as incremental property taxes. The failure of the tax levy to generate adequate revenue to pay the debt service on the bonds may cause the value of the bonds to decline.

Health Care Bond Risk. The health care industry is subject to regulatory action by a number of private and governmental agencies, including federal, state and local governmental agencies. A major source of revenues for the health care industry is payments from Medicare and Medicaid programs. As a result, the industry is sensitive to legislative changes and reductions in governmental spending for such programs. Numerous other factors may also affect the industry and the value and credit quality of health care bonds, such as general and local economic conditions, demand for services, expenses (including malpractice insurance premiums) and competition among health care providers. In the future, the following elements may adversely affect health care facility operations: adoption of legislation proposing a national health insurance program; other state or local health care reform measures; medical and technological advances which dramatically alter the need for health services or the way in which such services are delivered; changes in medical coverage which alter the traditional fee-for-service revenue stream; and efforts by employers, insurers, and governmental agencies to reduce the costs of health insurance and health care services.

Resource Recovery Bond Risk. Resource recovery bonds are a type of revenue bond issued to build facilities such as solid waste incinerators or waste-to-energy plants. Typically, a private corporation is involved, at least during the construction phase, and the revenue stream is secured by fees or rents paid by municipalities for use of the facilities. The viability of a resource recovery project, environmental protection regulations, and project operator tax incentives may affect the value and credit quality of resource recovery bonds.

Lease Obligations Risk. Lease obligations may have risks not normally associated with general obligation or other revenue bonds. Leases and installment purchase or conditional sale contracts (which may provide for title to the leased asset to pass eventually to the issuer) have developed as a means for governmental issuers to acquire property and equipment without the necessity of complying

with the constitutional statutory requirements generally applicable for the issuance of debt.

Certain lease obligations contain “non-appropriation” clauses that provide that the governmental issuer has no obligation to make future payments under the lease or contract unless money is appropriated for that purpose by the appropriate legislative body on an annual or other periodic basis. Consequently, continued lease payments on those lease obligations containing “non-appropriation” clauses are dependent on future legislative actions. If these legislative actions do not occur, the holders of the lease obligation may experience difficulty in exercising their rights, including disposition of the property.

Tobacco Bond Risk. Tobacco settlement revenue bonds are generally neither general nor legal obligations of a state or any of its political subdivisions and neither the faith and credit nor the taxing power nor any other assets or revenues of a state or of any political subdivision will be pledged to the payment of any such bonds. In addition, tobacco companies’ profits from the sale of tobacco products are inherently variable and difficult to estimate. There can be no guarantee that tobacco companies will earn enough revenues to cover the payments due under tobacco bonds.

Education Bond Risk. In general, there are two types of education-related bonds: those issued to finance projects for public and private colleges and universities, and those representing pooled interests in student loans. Bonds issued to supply educational institutions with funds are subject to the risk of unanticipated revenue decline, primarily the result of decreasing student enrollment or decreasing state and federal funding. Among the factors that may lead to declining or insufficient revenues are restrictions on students’ ability to pay tuition, availability of state and federal funding and general economic conditions. Student loan revenue bonds are generally offered by state (or substate) authorities or commissions and are backed by pools of student loans. Underlying student loans may be guaranteed by state guarantee agencies and may be subject to reimbursement by the United States Department of Education through its guaranteed student loan program. Others may be private, uninsured loans made to parents or students which are supported by reserves or other forms of credit enhancement. Recoveries of principal due to loan defaults may be applied to redemption of bonds or may be used to re-lend, depending on program latitude and demand for loans. Cash flows supporting student loan revenue bonds are impacted by numerous factors, including the rate of student loan defaults, seasoning of the loan portfolio and student repayment deferral periods of forbearance. Other risks associated with student loan revenue bonds include potential changes in federal legislation regarding student loan revenue bonds,

state guarantee agency reimbursement and continued federal interest and other program subsidies currently in effect.

Electric Utilities Bond Risk. The electric utilities industry has been experiencing, and will continue to experience, increased competitive pressures. Federal legislation in the last two years will open transmission access to any electricity supplier, although it is not presently known to what extent competition will evolve. Other risks include: (a) the availability and cost of fuel; (b) the availability and cost of capital; (c) the effects of conservation on energy demand; (d) the effects of rapidly changing environmental, safety and licensing requirements, and other federal, state and local regulations; (e) timely and sufficient rate increases; and (f) opposition to nuclear power.

Housing Bond Risk. Housing revenue bonds are generally issued by a state, county, city, local housing authority or other public agency. They generally are secured by the revenues derived from mortgages purchased with the proceeds of the bond issue. It is extremely difficult to predict the supply of available mortgages to be purchased with the proceeds of an issue or the future cash flow from the underlying mortgages. Consequently, there are risks that proceeds will exceed supply, resulting in early retirement of bonds, or that homeowner repayments will create an irregular cash flow. Many factors may affect the financing of multi-family housing projects, including acceptable completion of construction, proper management, occupancy and rent levels, economic conditions and changes to current laws and regulations.

Transportation Bond Risk. Transportation debt may be issued to finance the construction of airports, toll roads, highways or other transit facilities. Airport bonds are dependent on the general stability of the airline industry and on the stability of a specific carrier who uses the airport as a hub. Air traffic generally follows broader economic trends and is also affected by the price and availability of fuel. Toll road bonds are also affected by the cost and availability of fuel as well as toll levels, the presence of competing roads and the general economic health of an area. Fuel costs and availability also affect other transportation-related securities, as do the presence of alternate forms of transportation, such as public transportation.

Water and Sewer Bond Risk. Water and sewer revenue bonds are often considered to have relatively secure credit as a result of their issuer's importance, monopoly status and generally unimpeded ability to raise rates. Despite this, lack of water supply due to insufficient rain, run-off or snow pack is a concern that has led to past defaults. Further, public resistance to rate increases, costly environmental litigation and federal environmental mandates are challenges faced by issuers of water and sewer bonds.

Market Risk. The prices of the securities in the Fund are subject to the risk associated with investing in the municipal securities market, including sudden and unpredictable drops in value. An investment in the Fund may lose money.

Index Tracking Risk. The Fund's return may not match the return of the High Yield Index for a number of reasons. For example, the Fund incurs a number of operating expenses not applicable to the High Yield Index and incurs costs associated with buying and selling securities; especially when rebalancing the Fund's securities holdings to reflect changes in the composition of the High Yield Index. In addition, the Fund's use of a representative sampling approach may cause the Fund to not be as well correlated with the return of the High Yield Index as would be the case if the Fund purchased all of the securities in the High Yield Index in the proportions represented in the High Yield Index. Because the Fund bears the costs and risks associated with buying and selling securities while such costs and risks are not factored into the return of the High Yield Index, the Fund's return may deviate significantly from the return of the High Yield Index. The Fund may not be fully invested at times either as a result of cash flows into the Fund or reserves of cash held by the Fund to meet redemptions and pay expenses. The need to comply with the diversification and other requirements of the Internal Revenue Code may also impact the Fund's ability to replicate the performance of the High Yield Index.

Risk of Cash Transactions. In certain instances, unlike most exchange-traded funds ("ETFs"), the Fund may effect creations and redemptions for cash, rather than in-kind securities. As a result, an investment in the Fund may be less tax-efficient than an investment in a more conventional ETF. ETFs generally are able to make in-kind redemptions and avoid being taxed on gain on the distributed portfolio securities at the Fund level. Because the Fund may effect redemptions for cash, rather than in-kind distributions, it may be required to sell portfolio securities in order to obtain the cash needed to distribute redemption proceeds. If the Fund recognizes gain on these sales, this generally will cause the Fund to recognize gain it might not otherwise have recognized, or to recognize such gain sooner than would otherwise be required if it were to distribute portfolio securities in-kind. The Fund generally intends to distribute these gains to shareholders to avoid being taxed on this gain at the Fund level and otherwise comply with the special tax rules that apply to it. This strategy may cause shareholders to be subject to tax on gains they would not otherwise be subject to, or at an earlier date than, if they had made an investment in a different ETF. Moreover, cash transactions may have to be carried out over several days if the securities market is relatively illiquid and may involve considerable brokerage fees and taxes. These brokerage fees and taxes, which will be higher than if the Fund sold and redeemed its shares principally in-kind, will be passed on to purchasers and redeemers of Creation Units in the form of Creation and

Redemption Transaction Fees. In addition, these factors may result in wider spreads between the bid and the offered prices of the Fund's Shares than for more conventional ETFs.

Tax Risk. There is no guarantee that the Fund's income will be exempt from U.S. federal or state income taxes. Events occurring after the date of issuance of a municipal bond or after the Fund's acquisition of a municipal bond may result in a determination that interest on that bond is includible in gross income for U.S. federal income tax purposes retroactively to its date of issuance. Such a determination may cause a portion of prior distributions by the Fund to its shareholders to be taxable to those shareholders in the year of receipt. Federal or state changes in income or alternative minimum tax rates or in the tax treatment of municipal bonds may make municipal bonds less attractive as investments and cause them to lose value.

Replication Management Risk. Unlike many investment companies, the Fund is not actively "managed." Therefore, unless a specific security is removed from the High Yield Index, the Fund generally would not sell a security because the security's issuer was in financial trouble. If a specific security is removed from the High Yield Index, the Fund may be forced to sell such security at an inopportune time or for prices other than at current market values. An investment in the Fund involves risks similar to those of investing in any fund of fixed income securities (particularly municipal securities) traded on exchanges, such as market fluctuations caused by such factors as economic and political developments, changes in interest rates and perceived trends in security prices. You should anticipate that the value of the Fund's Shares will decline, more or less, in correspondence with any decline in value of the High Yield Index. The High Yield Index may not contain the appropriate mix of securities for any particular economic cycle, and the timing of movements from one type of security to another in seeking to replicate the performance of the High Yield Index could have a negative effect on the Fund. Unlike with an actively managed fund, the Adviser does not use techniques or defensive strategies designed to lessen the effects of market volatility or to reduce the impact of periods of market decline. This means that based on market and economic conditions, the Fund's performance could be lower than other types of mutual funds that may actively shift their portfolio assets to take advantage of market opportunities or to lessen the impact of a market decline.

Performance

The Fund commenced operations on February 4, 2009 and therefore does not have a performance history for a full calendar year. Visit www.vaneck.com/etf for current performance figures.

Fees and Expenses of the Fund

This table describes the fees and expenses that you may pay if you buy and hold Shares of the Fund.^(a) The total annual fund operating expenses listed below are based on the average net assets of the Fund for its fiscal year ended April 30, 2009. To the extent that the Fund's average net assets decrease over the Fund's next fiscal year, such expenses can be expected to increase because certain fixed costs will be spread over a smaller amount of assets.

Shareholder Expenses

(fees paid directly from your investment, but see "Shareholder Information—Creation and Redemption of Creation Units" for a discussion of Creation and Redemption Transaction Fees) None

ANNUAL FUND OPERATING EXPENSES

(expenses that are deducted from Fund assets)

Management Fee	0.50%
Other Operating Expenses ^(b)	0.21%
Total Gross Annual Fund Operating Expenses ^(c)	0.71%
Fee Waivers and Expenses Assumption ^(c)	0.36%
Total Net Annual Fund Operating Expenses^(c)	0.35%

^(a) When buying or selling Shares through a broker, you will incur customary brokerage commissions and charges.

^(b) Other operating expenses are based on estimated amounts for the current fiscal year and calculated as a percentage of the Fund's net assets.

^(c) The Adviser has contractually agreed to waive fees and/or pay Fund expenses to the extent necessary to prevent the operating expenses of the Fund (excluding interest expense, offering costs, trading expenses, taxes and extraordinary expenses) from exceeding 0.35% of the Fund's average daily net assets per year at least until September 1, 2010. Offering costs excluded from the 0.35% expense cap are: (a) legal fees pertaining to the Fund's Shares offered for sale; (b) SEC and state registration fees; and (c) initial fees paid for Shares of the Fund to be listed on an exchange.

Expense Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. This example does not take into account brokerage commissions that you pay when purchasing or selling Shares of the Fund.

An investor purchasing a Creation Unit would pay the following expenses on a \$10,000 investment, assuming all Shares are redeemed at the end of the periods shown, a 5% annual return and that the Fund's operating expenses remain the same. *Investors should note that the presentation below of a \$10,000 investment is for illustration purposes only as Shares will be issued by the Fund only in Creation Units. Further, the return of 5% and estimated expenses are for*

HIGH-YIELD MUNICIPAL INDEX ETF (continued)

illustration purposes only, and should not be considered indicators of expected Fund expenses or performance, which may be greater or less than the estimates. Based on these assumptions, your costs would be:

YEAR	EXPENSES
1	\$ 36
3	\$191

Creation Transaction Fees and Redemption Transaction Fees

The Trust issues and redeems Shares at NAV only in blocks of 100,000 Shares or multiples thereof. As a practical matter, only authorized participants may purchase or redeem these Creation Units. A standard creation transaction fee (the “Creation Transaction Fee”) of \$500 is charged to each purchaser of Creation Units. The fee is the same regardless of the number of Creation Units purchased by an authorized participant on the same day. An authorized participant who holds Creation Units and wishes to redeem at NAV would also pay a standard redemption transaction fee (the “Redemption Transaction Fee”) of \$500 on the date of such redemption(s), regardless of the number of Creation Units redeemed that day. Authorized participants who hold Creation Units will also pay the annual Fund operating expenses described in the table above. Assuming an investment in a Creation Unit of \$2,600,000 and a 5% return each year, and assuming that the Fund’s operating expenses remain the same, the total costs would be \$9,360 if the Creation Unit is redeemed after one year and \$49,660 if the Creation Unit is redeemed after three years. Investors should note that this presentation is for illustration purposes only and actual costs may be higher. See “Shareholder Information—Creation and Redemption of Creation Units.”

If a Creation Unit is purchased or redeemed outside the usual process through the National Securities Clearing Corporation (“NSCC”), if available, or for cash, a variable fee of up to four times the standard Creation or Redemption Transaction Fee will be charged. An additional variable charge may be assessed for cash creations and redemptions to compensate the Fund for the costs associated with purchasing and selling the applicable securities. See “Shareholder Information—Creation and Redemption of Creation Units—Creation Transaction Fee” and “—Redemption Transaction Fee.”

The Creation Transaction Fee, Redemption Transaction Fee and variable fees are not expenses of the Fund.

Principal Investment Objective and Strategies

Investment Objective. The Fund's investment objective is to replicate as closely as possible, before fees and expenses, the price and yield performance of the Barclays Capital AMT-Free Intermediate Continuous Municipal Index (the "Intermediate Index"). For a further description of the Intermediate Index, see "Barclays Capital AMT-Free Intermediate Continuous Municipal Index."

Principal Investment Policy. The Fund will normally invest at least 80% of its total assets in fixed income securities that comprise the Intermediate Index. A lesser percentage may be so invested to the extent that the Adviser needs additional flexibility to comply with the requirements of the Internal Revenue Code, and other regulatory requirements. This 80% investment policy is non-fundamental and requires 60 days' prior written notice to shareholders before it can be changed.

The Fund has adopted a fundamental investment policy to invest at least 80% of its assets in investments suggested by its name. For purposes of this policy, the term "assets" means net assets plus the amount of any borrowings for investment purposes. This percentage limitation applies at the time of investment. The Board of Trustees of the Trust may change the Fund's investment strategy, index and other policies without shareholder approval, except as otherwise indicated.

Indexing Investment Approach. The Fund is not managed according to traditional methods of "active" investment management, which involve the buying and selling of securities based upon economic, financial and market analysis and investment judgment. Instead, the Fund, utilizing a "passive" or indexing investment approach, attempts to approximate the investment performance of the Intermediate Index.

The Fund uses a sampling approach in seeking to achieve its investment objective. Sampling means that the Adviser uses quantitative analysis to select municipal bonds and other securities that represent a sample of securities in the Intermediate Index in terms of key risk factors, performance attributes and other characteristics. The quantity of holdings in the Fund will be based on a number of factors, including asset size of the Fund. The Adviser generally expects the Fund to hold less than the total number of securities in the Intermediate Index, but reserves the right to hold as many securities as it believes necessary to achieve the Fund's investment objective.

In addition, from time to time, securities are added to or removed from the Intermediate Index. The Fund may sell securities that are represented in the Intermediate Index, or purchase securities that are not yet represented in the Intermediate Index, in anticipation of their removal from or addition to the Intermediate Index. Further, the Adviser may choose to overweight securities,

purchase or sell securities not in the Intermediate Index, or utilize various combinations of other available investment techniques, in seeking to track the Intermediate Index.

Sales as a result of Intermediate Index changes could result in the realization of short or long-term capital gains by the Fund thereby resulting in a tax liability for shareholders subject to U.S. federal income tax. See “Shareholder Information–Tax Matters.”

Eligibility Criteria. To be included in the Intermediate Index, bonds must be rated Baa3/BBB- or higher by at least two of the following ratings agencies: Moody’s, S&P and Fitch. If only two of the three agencies rate the security, the lower rating is used to determine Index eligibility. If only one of the three agencies rates a security, the rating must be at least Baa3/BBB-. Potential Intermediate Index constituents must have an outstanding par value of at least \$7 million and be issued as part of a transaction of at least \$75 million. The bonds must be fixed rate, have a dated-date within the last five years and have a nominal maturity of 6 to 17 years. The following types of bonds are excluded from the Intermediate Index: bonds subject to the alternative minimum tax, remarketed issues, taxable municipal bonds, floating rate bonds and derivatives. The Intermediate Index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and pre-refunded bonds. The Intermediate Index is calculated using a market value weighting methodology.

Non-Diversified. The Fund is a separate investment portfolio of the Trust, which is an open-end investment company registered under the 1940 Act. The Fund is classified as a “non-diversified” investment company under the 1940 Act. As a result, the Fund is subject to the risk that it will be more volatile than a diversified fund because the Fund may invest its assets in a smaller number of issuers or may invest larger proportions of the assets of the Fund in a single company within the industries that comprise the Intermediate Index. As a result, the gains and losses on a single security may have a greater impact on the Fund’s NAV and may make the Fund more volatile than diversified funds.

Fundamental and Non-Fundamental Policies. The Fund’s investment objective and each of the other investment policies are non-fundamental policies that may be changed by the Board of Trustees without shareholder approval, except as noted herein or in the SAI under the heading “Investment Policies and Restrictions–Investment Restrictions.”

Principal Risks of Investing in the Fund

Municipal Securities Risk. Municipal securities are subject to the risk that litigation, legislation or other political events, local business or economic conditions or the bankruptcy of the issuer could have a significant effect on an

issuer's ability to make payments of principal and/or interest. In addition, there is a risk that, as a result of the current economic crisis, the ability of any issuer to pay, when due, the principal or interest on its municipal bonds may be materially affected.

Municipal securities can be significantly affected by political changes as well as uncertainties in the municipal market related to taxation, legislative changes or the rights of municipal security holders. Because many securities are issued to finance similar projects, especially those relating to education, health care, transportation and utilities, conditions in those sectors can affect the overall municipal market. In addition, changes in the financial condition of an individual municipal insurer can affect the overall municipal market.

Municipal securities backed by current or anticipated revenues from a specific project or specific assets can be negatively affected by the discontinuance of the taxation supporting the project or assets or the inability to collect revenues for the project or from the assets. If the IRS determines that an issuer of a municipal security has not complied with applicable tax requirements, interest from the security could become taxable and the security could decline significantly in value.

The market for municipal bonds may be less liquid than for taxable bonds. There may also be less information available on the financial condition of issuers of municipal securities than for public corporations. This means that it may be harder to buy and sell municipal securities, especially on short notice, and municipal securities may be more difficult for the Fund to value accurately than securities of public corporations. Since the Fund invests a significant portion of its portfolio in municipal securities, the Fund's portfolio may have greater exposure to liquidity risk than the Fund that invests in non-municipal securities.

Credit Risk. Credit risk refers to the possibility that the issuer of a security will be unable or unwilling to make interest payments and/or repay the principal on its debt. In the case of revenue bonds, notes or commercial paper, for example, the credit risk is the possibility that the user fees from a project or other specified revenue sources are insufficient to meet interest and/or principal payment obligations. Private activity bonds used to finance projects, such as industrial development and pollution control, may also be negatively impacted by the general credit of the user of the project. The Fund may hold securities that are insured by a bond insurer. A downgrade of the credit rating of such bond insurer may cause the value of the insured security to decline.

Interest Rate Risk. Interest rate risk is the risk that the value of bonds will fall if interest rates increase. These securities typically fall in value when interest rates rise and rise in value when interest rates fall. Bonds with longer periods before maturity are often more sensitive to interest rate changes.

Call Risk. The Fund may invest in callable bonds, and such issuers may “call” or repay these securities with higher coupon or interest rates before the security’s maturity date. If interest rates are falling, the Fund may have to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the Fund’s income.

Lease Obligations Risk. Lease obligations may have risks not normally associated with general obligation or other revenue bonds. Leases and installment purchase or conditional sale contracts (which may provide for title to the leased asset to pass eventually to the issuer) have developed as a means for governmental issuers to acquire property and equipment without the necessity of complying with the constitutional statutory requirements generally applicable for the issuance of debt.

Certain lease obligations contain “non-appropriation” clauses that provide that the governmental issuer has no obligation to make future payments under the lease or contract unless money is appropriated for that purpose by the appropriate legislative body on an annual or other periodic basis. Consequently, continued lease payments on those lease obligations containing “non-appropriation” clauses are dependent on future legislative actions. If these legislative actions do not occur, the holders of the lease obligation may experience difficulty in exercising their rights, including disposition of the property.

Tobacco Bond Risk. Tobacco settlement revenue bonds are generally neither general nor legal obligations of a state or any of its political subdivisions and neither the faith and credit nor the taxing power nor any other assets or revenues of a state or of any political subdivision will be pledged to the payment of any such bonds. In addition, tobacco companies’ profits from the sale of tobacco products are inherently variable and difficult to estimate. There can be no guarantee that tobacco companies will earn enough revenues to cover the payments due under tobacco bonds.

Education Bond Risk. In general, there are two types of education-related bonds: those issued to finance projects for public and private colleges and universities, and those representing pooled interests in student loans. Bonds issued to supply educational institutions with funds are subject to the risk of unanticipated revenue decline, primarily the result of decreasing student enrollment or decreasing state and federal funding. Among the factors that may lead to declining or insufficient revenues are restrictions on students’ ability to pay tuition, availability of state and federal funding and general economic conditions. Student loan revenue bonds are generally offered by state (or substate) authorities or commissions and are backed by pools of student loans. Underlying student loans may be guaranteed by state guarantee agencies and may be

subject to reimbursement by the United States Department of Education through its guaranteed student loan program. Others may be private, uninsured loans made to parents or students which are supported by reserves or other forms of credit enhancement. Recoveries of principal due to loan defaults may be applied to redemption of bonds or may be used to re-lend, depending on program latitude and demand for loans. Cash flows supporting student loan revenue bonds are impacted by numerous factors, including the rate of student loan defaults, seasoning of the loan portfolio and student repayment deferral periods of forbearance. Other risks associated with student loan revenue bonds include potential changes in federal legislation regarding student loan revenue bonds, state guarantee agency reimbursement and continued federal interest and other program subsidies currently in effect.

Electric Utilities Bond Risk. The electric utilities industry has been experiencing, and will continue to experience, increased competitive pressures. Federal legislation in the last two years will open transmission access to any electricity supplier, although it is not presently known to what extent competition will evolve. Other risks include: (a) the availability and cost of fuel; (b) the availability and cost of capital; (c) the effects of conservation on energy demand; (d) the effects of rapidly changing environmental, safety and licensing requirements, and other federal, state and local regulations; (e) timely and sufficient rate increases; and (f) opposition to nuclear power.

Housing Bond Risk. Housing revenue bonds are generally issued by a state, county, city, local housing authority or other public agency. They generally are secured by the revenues derived from mortgages purchased with the proceeds of the bond issue. It is extremely difficult to predict the supply of available mortgages to be purchased with the proceeds of an issue or the future cash flow from the underlying mortgages. Consequently, there are risks that proceeds will exceed supply, resulting in early retirement of bonds, or that homeowner repayments will create an irregular cash flow. Many factors may affect the financing of multi-family housing projects, including acceptable completion of construction, proper management, occupancy and rent levels, economic conditions and changes to current laws and regulations.

Transportation Bond Risk. Transportation debt may be issued to finance the construction of airports, toll roads, highways or other transit facilities. Airport bonds are dependent on the general stability of the airline industry and on the stability of a specific carrier who uses the airport as a hub. Air traffic generally follows broader economic trends and is also affected by the price and availability of fuel. Toll road bonds are also affected by the cost and availability of fuel as well as toll levels, the presence of competing roads and the general economic health of an area. Fuel costs and availability also affect other transportation-

related securities, as do the presence of alternate forms of transportation, such as public transportation.

Water and Sewer Bond Risk. Water and sewer revenue bonds are often considered to have relatively secure credit as a result of their issuer's importance, monopoly status and generally unimpeded ability to raise rates. Despite this, lack of water supply due to insufficient rain, run-off or snow pack is a concern that has led to past defaults. Further, public resistance to rate increases, costly environmental litigation and federal environmental mandates are challenges faced by issuers of water and sewer bonds.

Market Risk. The prices of the securities in the Fund are subject to the risk associated with investing in the municipal securities market, including sudden and unpredictable drops in value. An investment in the Fund may lose money.

Index Tracking Risk. The Fund's return may not match the return of the Intermediate Index for a number of reasons. For example, the Fund incurs a number of operating expenses not applicable to the Intermediate Index and incurs costs associated with buying and selling securities; especially when rebalancing the Fund's securities holdings to reflect changes in the composition of the Intermediate Index. In addition, the Fund's use of a representative sampling approach may cause the Fund to not be as well correlated with the return of the Intermediate Index as would be the case if the Fund purchased all of the securities in the Intermediate Index in the proportions represented in the Intermediate Index. Because the Fund bears the costs and risks associated with buying and selling securities while such costs and risks are not factored into the return of the Intermediate Index, the Fund's return may deviate significantly from the return of the Intermediate Index. The Fund may not be fully invested at times either as a result of cash flows into the Fund or reserves of cash held by the Fund to meet redemptions and pay expenses. The need to comply with the diversification and other requirements of the Internal Revenue Code may also impact the Fund's ability to replicate the performance of the Intermediate Index.

Risk of Cash Transactions. In certain instances, unlike most ETFs, the Fund may effect creations and redemptions for cash, rather than in-kind securities. As a result, an investment in the Fund may be less tax-efficient than an investment in a more conventional ETF. ETFs generally are able to make in-kind redemptions and avoid being taxed on gain on the distributed portfolio securities at the Fund level. Because the Fund may effect redemptions for cash, rather than in-kind distributions, it may be required to sell portfolio securities in order to obtain the cash needed to distribute redemption proceeds. If the Fund recognizes gain on these sales, this generally will cause the Fund to recognize gain it might not otherwise have recognized, or to recognize such gain sooner than would otherwise be required if it were to distribute portfolio securities in-kind. The Fund

generally intends to distribute these gains to shareholders to avoid being taxed on this gain at the Fund level and otherwise comply with the special tax rules that apply to it. This strategy may cause shareholders to be subject to tax on gains they would not otherwise be subject to, or at an earlier date than, if they had made an investment in a different ETF. Moreover, cash transactions may have to be carried out over several days if the securities market is relatively illiquid and may involve considerable brokerage fees and taxes. These brokerage fees and taxes, which will be higher than if the Fund sold and redeemed its shares principally in-kind, will be passed on to purchasers and redeemers of Creation Units in the form of Creation and Redemption Transaction Fees. In addition, these factors may result in wider spreads between the bid and the offered prices of the Fund's Shares than for more conventional ETFs.

Tax Risk. There is no guarantee that the Fund's income will be exempt from U.S. federal or state income taxes. Events occurring after the date of issuance of a municipal bond or after the Fund's acquisition of a municipal bond may result in a determination that interest on that bond is includible in gross income for U.S. federal income tax purposes retroactively to its date of issuance. Such a determination may cause a portion of prior distributions by the Fund to its shareholders to be taxable to those shareholders in the year of receipt. Federal or state changes in income or alternative minimum tax rates or in the tax treatment of municipal bonds may make municipal bonds less attractive as investments and cause them to lose value.

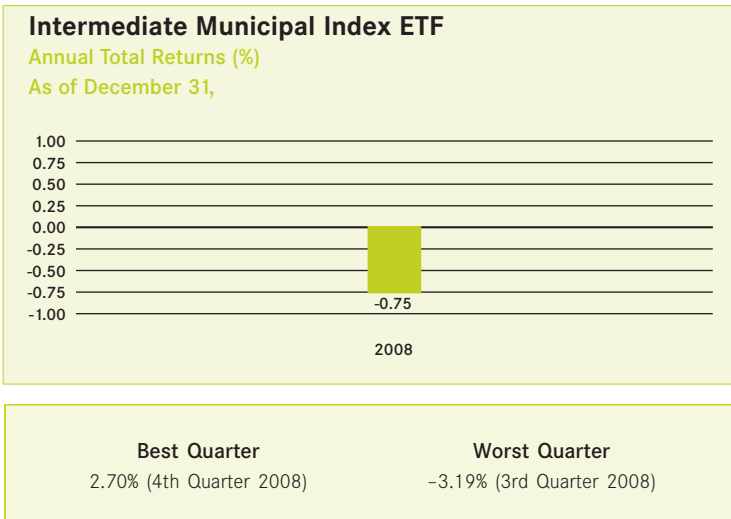
Replication Management Risk. Unlike many investment companies, the Fund is not actively "managed." Therefore, unless a specific security is removed from the Intermediate Index, the Fund generally would not sell a security because the security's issuer was in financial trouble. If a specific security is removed from the Intermediate Index, the Fund may be forced to sell such security at an inopportune time or for prices other than at current market values. An investment in the Fund involves risks similar to those of investing in any fund of fixed income securities (particularly municipal securities) traded on exchanges, such as market fluctuations caused by such factors as economic and political developments, changes in interest rates and perceived trends in security prices. You should anticipate that the value of the Fund's Shares will decline, more or less, in correspondence with any decline in value of the Intermediate Index. The Intermediate Index may not contain the appropriate mix of securities for any particular economic cycle, and the timing of movements from one type of security to another in seeking to replicate the Intermediate Index could have a negative effect on the Fund. Unlike with an actively managed fund, the Adviser does not use techniques or defensive strategies designed to lessen the effects of market volatility or to reduce the impact of periods of market decline. This means that based on market and economic conditions, the Fund's performance

INTERMEDIATE MUNICIPAL INDEX ETF Performance

could be lower than other types of mutual funds that may actively shift their portfolio assets to take advantage of market opportunities or to lessen the impact of a market decline.

Performance

The bar chart that follows shows how the Fund performed for the last calendar year. The table below the bar chart shows the Fund's average annual returns (before and after taxes). The bar chart and table provide an indication of the risks of investing in the Fund by showing the Fund's performance and by showing how the Fund's average annual returns for one year compared with a broad measure of market performance. All returns assume reinvestment of dividends and distributions. The Fund's past performance (before and after income taxes) is not necessarily indicative of how the Fund will perform in the future.



* The bar chart above includes only the complete calendar year following inception. The best and worst quarters above include numbers from complete calendar years only.

Average Annual Total Returns

for the Periods Ended December 31, 2008

	Past One Year	Since Inception*
Market Vectors Intermediate Municipal Index ETF (return before taxes)	-0.75%	-0.93%
Market Vectors Intermediate Municipal Index ETF (return after taxes on distributions)	-0.75%	-0.93%
Market Vectors Intermediate Municipal Index ETF (return after taxes on distributions and sale of Fund Shares)	0.77%	-0.28%
Barclays Capital AMT-Free Intermediate Continuous Municipal Index (reflects no deduction for fees, expenses or taxes)	0.48%	0.66%

* The Fund commenced operations on December 4, 2007.

Performance data quoted represents past performance. Past performance is not a guarantee of future results; current performance may be higher or lower than performance quoted. Investment returns and principal value will fluctuate and shares, when redeemed, may be worth more or less than their original cost. The Fund's performance reflects fee waivers, absent which, performance would have been lower.

After-tax returns in the table above 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 an investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold Shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts.

In the event of negative performance, the Fund's returns after taxes on distributions and sale of Fund Shares are calculated assuming that an investor has sufficient capital gains of the same character from other investments to offset any capital losses from the sale of Fund Shares. As a result, the Fund's returns after taxes on distributions and sale of Fund Shares may exceed the Fund's returns before taxes and/or returns after taxes on distributions.

Fees and Expenses of the Fund

This table describes the fees and expenses that you may pay if you buy and hold Shares of the Fund.^(a) The total annual fund operating expenses listed below are based on the average net assets of the Fund for its fiscal year ended April 30, 2009. To the extent that the Fund's average net assets decrease over the Fund's next fiscal year, such expenses can be expected to increase because certain fixed costs will be spread over a smaller amount of assets.

Shareholder Expenses

(fees paid directly from your investment, but see "Shareholder Information—Creation and Redemption of Creation Units" for a discussion of Creation and Redemption Transaction Fees) None

ANNUAL FUND OPERATING EXPENSES

(expenses that are deducted from Fund assets)

Management Fee	0.25%
Other Operating Expenses ^(b)	0.45%
Total Gross Annual Fund Operating Expenses ^(c)	0.70%
Fee Waivers and Expenses Assumption ^(c)	0.46%
Total Net Annual Fund Operating Expenses^(c)	0.24%

^(a) When buying or selling Shares through a broker, you will incur customary brokerage commissions and charges.

^(b) Other operating expenses are calculated as a percentage of the Fund's net assets.

^(c) The Adviser has contractually agreed to waive fees and/or pay Fund expenses to the extent necessary to prevent the operating expenses of the Fund (excluding interest expense, offering costs, trading expenses, taxes and extraordinary expenses) from exceeding 0.24% of the Fund's average daily net assets per year at least until September 1, 2010. Offering costs excluded from the 0.24% expense cap are: (a) legal fees pertaining to the Fund's Shares offered for sale; (b) SEC and state registration fees; and (c) initial fees paid for Shares of the Fund to be listed on an exchange.

Expense Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. This example does not take into account brokerage commissions that you pay when purchasing or selling Shares of the Fund.

An investor purchasing a Creation Unit would pay the following expenses on a \$10,000 investment, assuming all Shares are redeemed at the end of the periods shown, a 5% annual return and that the Fund's operating expenses remain the same. *Investors should note that the presentation below of a \$10,000 investment is for illustration purposes only as Shares will be issued by the Fund only in Creation Units. Further, the return of 5% and estimated expenses are for illustration purposes only, and should not be considered indicators of expected*

Fund expenses or performance, which may be greater or less than the estimates. Based on these assumptions, your costs[†] would be:

YEAR	EXPENSES
1	\$ 25
3	\$178
5	\$344
10	\$827

Creation Transaction Fees and Redemption Transaction Fees

The Trust issues and redeems Shares at NAV only in blocks of 100,000 Shares or multiples thereof. As a practical matter, only authorized participants may purchase or redeem these Creation Units. A standard Creation Transaction Fee of \$500 is charged to each purchaser of Creation Units. The fee is the same regardless of the number of Creation Units purchased by an authorized participant on the same day. An authorized participant who holds Creation Units and wishes to redeem at NAV would also pay a standard Redemption Transaction Fee of \$500 on the date of such redemption(s), regardless of the number of Creation Units redeemed that day. Authorized participants who hold Creation Units will also pay the annual Fund operating expenses described in the table above. Assuming an investment in a Creation Unit of \$2,100,000 and a 5% return each year, and assuming that the Fund's operating expenses remain the same, the total costs[†] would be \$5,250, \$37,380, \$72,240 and \$173,670 if the Creation Unit is redeemed after one, three, five and ten years, respectively. Investors should note that this presentation is for illustration purposes only and actual costs may be higher. See "Shareholder Information—Creation and Redemption of Creation Units."

If a Creation Unit is purchased or redeemed outside the usual process through the NSCC, if available, or for cash, a variable fee of up to four times the standard Creation or Redemption Transaction Fee will be charged. An additional variable charge may be assessed for cash creations and redemptions to compensate the Fund for the costs associated with purchasing and selling the applicable securities. See "Shareholder Information—Creation and Redemption of Creation Units—Creation Transaction Fee" and "—Redemption Transaction Fee."

The Creation Transaction Fee, Redemption Transaction Fee and variable fees are not expenses of the Fund.

[†] The cost under the one-year example reflects the Adviser's agreement with the Fund to waive fees and/or reimburse expenses, if any, to the level specified in the fee table. The costs under the three, five and ten year examples do not reflect this agreement after the first year.

Principal Investment Objective and Strategies

Investment Objective. The Fund's investment objective is to replicate as closely as possible, before fees and expenses, the price and yield performance of the Barclays Capital AMT Free Long Continuous Municipal Index (the "Long Index"). For a further description of the Long Index, see "Barclays Capital AMT-Free Long Continuous Municipal Index."

Principal Investment Policy. The Fund will normally invest at least 80% of its total assets in fixed income securities that comprise the Long Index. A lesser percentage may be so invested to the extent that the Adviser needs additional flexibility to comply with the requirements of the Internal Revenue Code and other regulatory requirements. This 80% investment policy is non-fundamental and requires 60 days' prior written notice to shareholders before it can be changed.

The Fund has adopted a fundamental investment policy to invest at least 80% of its assets in investments suggested by its name. For purposes of this policy, the term "assets" means net assets plus the amount of any borrowings for investment purposes. This percentage limitation applies at the time of investment. The Board of Trustees of the Trust may change the Fund's investment strategy, index and other policies without shareholder approval, except as otherwise indicated.

Indexing Investment Approach. The Fund is not managed according to traditional methods of "active" investment management, which involve the buying and selling of securities based upon economic, financial and market analysis and investment judgment. Instead, the Fund, utilizing a "passive" or indexing investment approach, attempts to approximate the investment performance of the Long Index.

The Fund uses a sampling approach in seeking to achieve its investment objective. Sampling means that the Adviser uses quantitative analysis to select municipal bonds and other securities that represent a sample of securities in the Long Index in terms of key risk factors, performance attributes and other characteristics. The quantity of holdings in the Fund will be based on a number of factors, including asset size of the Fund. The Adviser generally expects the Fund to hold less than the total number of securities in the Long Index, but reserves the right to hold as many securities as it believes necessary to achieve the Fund's investment objective.

In addition, from time to time, securities are added to or removed from the Long Index. The Fund may sell securities that are represented in the Long Index, or purchase securities that are not yet represented in the Long Index, in anticipation of their removal from or addition to the Long Index. Further, the Adviser may choose to overweight securities, purchase or sell securities not in

the Long Index, or utilize various combinations of other available investment techniques, in seeking to track the Long Index.

Sales as a result of Long Index changes could result in the realization of short or long-term capital gains by the Fund thereby resulting in a tax liability for shareholders subject to U.S. federal income tax. See “Shareholder Information—Tax Matters.”

Eligibility Criteria. To be included in the Long Index, bonds must be rated Baa3/BBB- or higher by at least two of the following ratings agencies: Moody’s, S&P and Fitch. If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. If only one of the three agencies rates a security, the rating must be at least Baa3/BBB-. Potential Long Index constituents must have an outstanding par value of at least \$7 million and be issued as part of a transaction of at least \$75 million. The bonds must be fixed rate, have a dated-date within the last five years and have a nominal maturity of 17 or more years. The following types of bonds are excluded from the Long Index: bonds subject to the alternative minimum tax, remarketed issues, taxable municipal bonds, floaters and derivatives. The Long Index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and pre-refunded bonds. The Long Index is calculated using a market value weighting methodology.

Non-Diversified. The Fund is a separate investment portfolio of the Trust, which is an open-end investment company registered under the 1940 Act. The Fund is classified as a “non-diversified” investment company under the 1940 Act. As a result, the Fund is subject to the risk that it will be more volatile than a diversified fund because the Fund may invest its assets in a smaller number of issuers or may invest larger proportions of the assets of the Fund in a single company within the industries that comprise the Long Index. As a result, the gains and losses on a single security may have a greater impact on the Fund’s NAV and may make the Fund more volatile than diversified funds.

Fundamental and Non-Fundamental Policies. The Fund’s investment objective and each of the other investment policies are non-fundamental policies that may be changed by the Board of Trustees without shareholder approval, except as noted herein or in the SAI under the heading “Investment Policies and Restrictions—Investment Restrictions.”

Principal Risks of Investing in the Fund

Municipal Securities Risk. Municipal securities are subject to the risk that litigation, legislation or other political events, local business or economic conditions or the bankruptcy of the issuer could have a significant effect on an issuer’s ability to make payments of principal and/or interest. In addition, there

is a risk that, as a result of the current economic crisis, the ability of any issuer to pay, when due, the principal or interest on its municipal bonds may be materially affected.

Municipal securities can be significantly affected by political changes as well as uncertainties in the municipal market related to taxation, legislative changes or the rights of municipal security holders. Because many securities are issued to finance similar projects, especially those relating to education, health care, transportation and utilities, conditions in those sectors can affect the overall municipal market. In addition, changes in the financial condition of an individual municipal insurer can affect the overall municipal market.

Municipal securities backed by current or anticipated revenues from a specific project or specific assets can be negatively affected by the discontinuance of the taxation supporting the project or assets or the inability to collect revenues for the project or from the assets. If the IRS determines that an issuer of a municipal security has not complied with applicable tax requirements, interest from the security could become taxable and the security could decline significantly in value.

The market for municipal bonds may be less liquid than for taxable bonds. There may also be less information available on the financial condition of issuers of municipal securities than for public corporations. This means that it may be harder to buy and sell municipal securities, especially on short notice, and municipal securities may be more difficult for the Fund to value accurately than securities of public corporations. Since the Fund invests a significant portion of its portfolio in municipal securities, the Fund's portfolio may have greater exposure to liquidity risk than the Fund that invests in non-municipal securities.

Credit Risk. Credit risk refers to the possibility that the issuer of a security will be unable or unwilling to make interest payments and/or repay the principal on its debt. In the case of revenue bonds, notes or commercial paper, for example, the credit risk is the possibility that the user fees from a project or other specified revenue sources are insufficient to meet interest and/or principal payment obligations. Private activity bonds used to finance projects, such as industrial development and pollution control, may also be negatively impacted by the general credit of the user of the project. The Fund may hold securities that are insured by a bond insurer. A downgrade of the credit rating of such bond insurer may cause the value of the insured security to decline.

Interest Rate Risk. Interest rate risk is the risk that the value of bonds will fall if interest rates increase. These securities typically fall in value when interest rates rise and rise in value when interest rates fall. Bonds with longer periods before maturity are often more sensitive to interest rate changes.

Call Risk. The Fund may invest in callable bonds, and such issuers may “call” or repay these securities with higher coupon or interest rates before the security’s maturity date. If interest rates are falling, the Fund may have to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the Fund’s income.

Lease Obligations Risk. Lease obligations may have risks not normally associated with general obligation or other revenue bonds. Leases and installment purchase or conditional sale contracts (which may provide for title to the leased asset to pass eventually to the issuer) have developed as a means for governmental issuers to acquire property and equipment without the necessity of complying with the constitutional statutory requirements generally applicable for the issuance of debt.

Certain lease obligations contain “non-appropriation” clauses that provide that the governmental issuer has no obligation to make future payments under the lease or contract unless money is appropriated for that purpose by the appropriate legislative body on an annual or other periodic basis. Consequently, continued lease payments on those lease obligations containing “non-appropriation” clauses are dependent on future legislative actions. If these legislative actions do not occur, the holders of the lease obligation may experience difficulty in exercising their rights, including disposition of the property.

Tobacco Bond Risk. Tobacco settlement revenue bonds are generally neither general nor legal obligations of a state or any of its political subdivisions and neither the faith and credit nor the taxing power nor any other assets or revenues of a state or of any political subdivision will be pledged to the payment of any such bonds. In addition, tobacco companies’ profits from the sale of tobacco products are inherently variable and difficult to estimate. There can be no guarantee that tobacco companies will earn enough revenues to cover the payments due under tobacco bonds.

Education Bond Risk. In general, there are two types of education-related bonds: those issued to finance projects for public and private colleges and universities, and those representing pooled interests in student loans. Bonds issued to supply educational institutions with funds are subject to the risk of unanticipated revenue decline, primarily the result of decreasing student enrollment or decreasing state and federal funding. Among the factors that may lead to declining or insufficient revenues are restrictions on students’ ability to pay tuition, availability of state and federal funding and general economic conditions. Student loan revenue bonds are generally offered by state (or substate) authorities or commissions and are backed by pools of student loans. Underlying student loans may be guaranteed by state guarantee agencies and may be

subject to reimbursement by the United States Department of Education through its guaranteed student loan program. Others may be private, uninsured loans made to parents or students which are supported by reserves or other forms of credit enhancement. Recoveries of principal due to loan defaults may be applied to redemption of bonds or may be used to re-lend, depending on program latitude and demand for loans. Cash flows supporting student loan revenue bonds are impacted by numerous factors, including the rate of student loan defaults, seasoning of the loan portfolio and student repayment deferral periods of forbearance. Other risks associated with student loan revenue bonds include potential changes in federal legislation regarding student loan revenue bonds, state guarantee agency reimbursement and continued federal interest and other program subsidies currently in effect.

Electric Utilities Bond Risk. The electric utilities industry has been experiencing, and will continue to experience, increased competitive pressures. Federal legislation in the last two years will open transmission access to any electricity supplier, although it is not presently known to what extent competition will evolve. Other risks include: (a) the availability and cost of fuel; (b) the availability and cost of capital; (c) the effects of conservation on energy demand; (d) the effects of rapidly changing environmental, safety and licensing requirements, and other federal, state and local regulations; (e) timely and sufficient rate increases; and (f) opposition to nuclear power.

Housing Bond Risk. Housing revenue bonds are generally issued by a state, county, city, local housing authority or other public agency. They generally are secured by the revenues derived from mortgages purchased with the proceeds of the bond issue. It is extremely difficult to predict the supply of available mortgages to be purchased with the proceeds of an issue or the future cash flow from the underlying mortgages. Consequently, there are risks that proceeds will exceed supply, resulting in early retirement of bonds, or that homeowner repayments will create an irregular cash flow. Many factors may affect the financing of multi-family housing projects, including acceptable completion of construction, proper management, occupancy and rent levels, economic conditions and changes to current laws and regulations.

Transportation Bond Risk. Transportation debt may be issued to finance the construction of airports, toll roads, highways or other transit facilities. Airport bonds are dependent on the general stability of the airline industry and on the stability of a specific carrier who uses the airport as a hub. Air traffic generally follows broader economic trends and is also affected by the price and availability of fuel. Toll road bonds are also affected by the cost and availability of fuel as well as toll levels, the presence of competing roads and the general economic health of an area. Fuel costs and availability also affect other transportation-

related securities, as do the presence of alternate forms of transportation, such as public transportation.

Water and Sewer Bond Risk. Water and sewer revenue bonds are often considered to have relatively secure credit as a result of their issuer's importance, monopoly status and generally unimpeded ability to raise rates. Despite this, lack of water supply due to insufficient rain, run-off, or snow pack is a concern that has led to past defaults. Further, public resistance to rate increases, costly environmental litigation and federal environmental mandates are challenges faced by issuers of water and sewer bonds.

Market Risk. The prices of the securities in the Fund are subject to the risk associated with investing in the municipal securities market, including sudden and unpredictable drops in value. An investment in the Fund may lose money.

Index Tracking Risk. The Fund's return may not match the return of the Long Index for a number of reasons. For example, the Fund incurs a number of operating expenses not applicable to the Long Index and incurs costs associated with buying and selling securities; especially when rebalancing the Fund's securities holdings to reflect changes in the composition of the Long Index. In addition, the Fund's use of a representative sampling approach may cause the Fund to not be as well correlated with the return of the Long Index as would be the case if the Fund purchased all of the securities in the Long Index in the proportions represented in the Long Index. Because the Fund bears the costs and risks associated with buying and selling securities while such costs and risks are not factored into the return of the Long Index, the Fund's return may deviate significantly from the return of the Long Index. The Fund may not be fully invested at times either as a result of cash flows into the Fund or reserves of cash held by the Fund to meet redemptions and pay expenses. The need to comply with the diversification and other requirements of the Internal Revenue Code may also impact the Fund's ability to replicate the performance of the Long Index.

Risk of Cash Transactions. In certain instances, unlike most ETFs, the Fund may effect creations and redemptions for cash, rather than in-kind securities. As a result, an investment in the Fund may be less tax-efficient than an investment in a more conventional ETF. ETFs generally are able to make in-kind redemptions and avoid being taxed on gain on the distributed portfolio securities at the Fund level. Because the Fund may effect redemptions for cash, rather than in-kind distributions, it may be required to sell portfolio securities in order to obtain the cash needed to distribute redemption proceeds. If the Fund recognizes gain on these sales, this generally will cause the Fund to recognize gain it might not otherwise have recognized, or to recognize such gain sooner than would otherwise be required if it were to distribute portfolio securities in-kind. The Fund

generally intends to distribute these gains to shareholders to avoid being taxed on this gain at the Fund level and otherwise comply with the special tax rules that apply to it. This strategy may cause shareholders to be subject to tax on gains they would not otherwise be subject to, or at an earlier date than, if they had made an investment in a different ETF. Moreover, cash transactions may have to be carried out over several days if the securities market is relatively illiquid and may involve considerable brokerage fees and taxes. These brokerage fees and taxes, which will be higher than if the Fund sold and redeemed its shares principally in-kind, will be passed on to purchasers and redeemers of Creation Units in the form of Creation and Redemption Transaction Fees. In addition, these factors may result in wider spreads between the bid and the offered prices of the Fund's Shares than for more conventional ETFs.

Tax Risk. There is no guarantee that the Fund's income will be exempt from U.S. federal or state income taxes. Events occurring after the date of issuance of a municipal bond or after the Fund's acquisition of a municipal bond may result in a determination that interest on that bond is includible in gross income for U.S. federal income tax purposes retroactively to its date of issuance. Such a determination may cause a portion of prior distributions by the Fund to its shareholders to be taxable to those shareholders in the year of receipt. Federal or state changes in income or alternative minimum tax rates or in the tax treatment of municipal bonds may make municipal bonds less attractive as investments and cause them to lose value.

Replication Management Risk. Unlike many investment companies, the Fund is not actively "managed." Therefore, unless a specific security is removed from the Long Index, the Fund generally would not sell a security because the security's issuer was in financial trouble. If a specific security is removed from the Long Index, the Fund may be forced to sell such security at an inopportune time or for prices other than at current market values. An investment in the Fund involves risks similar to those of investing in any fund of fixed income securities (particularly municipal securities) traded on exchanges, such as market fluctuations caused by such factors as economic and political developments, changes in interest rates and perceived trends in security prices. You should anticipate that the value of the Fund's Shares will decline, more or less, in correspondence with any decline in value of the Long Index. The Long Index may not contain the appropriate mix of securities for any particular economic cycle, and the timing of movements from one type of security to another in seeking to replicate the Long Index could have a negative effect on the Fund. Unlike with an actively managed fund, the Adviser does not use techniques or defensive strategies designed to lessen the effects of market volatility or to reduce the impact of periods of market decline. This means that based on market and economic conditions, the Fund's performance could be lower than other types of

mutual funds that may actively shift their portfolio assets to take advantage of market opportunities or to lessen the impact of a market decline.

Performance

The Fund commenced operations on January 2, 2008 and therefore does not have a performance history for a full calendar year. Visit www.vaneck.com/etf for current performance figures.

Fees and Expenses of the Fund

This table describes the fees and expenses that you may pay if you buy and hold Shares of the Fund.^(a) The total annual fund operating expenses listed below are based on the average net assets of the Fund for its fiscal year ended April 30, 2009. To the extent that the Fund's average net assets decrease over the Fund's next fiscal year, such expenses can be expected to increase because certain fixed costs will be spread over a smaller amount of assets.

Shareholder Expenses

(fees paid directly from your investment, but see "Shareholder Information—Creation and Redemption of Creation Units" for a discussion of Creation and Redemption Transaction Fees) None

ANNUAL FUND OPERATING EXPENSES

(expenses that are deducted from Fund assets)

Management Fee	0.25%
Other Operating Expenses ^(b)	0.53%
Total Gross Annual Fund Operating Expenses ^(c)	0.78%
Fee Waivers and Expenses Assumption ^(c)	0.54%
Total Net Annual Fund Operating Expenses^(c)	0.24%

^(a) When buying or selling Shares through a broker, you will incur customary brokerage commissions and charges.

^(b) Other operating expenses are calculated as a percentage of the Fund's net assets.

^(c) The Adviser has contractually agreed to waive fees and/or pay Fund expenses to the extent necessary to prevent the operating expenses of the Fund (excluding interest expense, offering costs, trading expenses, taxes and extraordinary expenses) from exceeding 0.24% of the Fund's average daily net assets per year at least until September 1, 2010. Offering costs excluded from the 0.24% expense cap are: (a) legal fees pertaining to the Fund's Shares offered for sale; (b) SEC and state registration fees; and (c) initial fees paid for Shares of the Fund to be listed on an exchange.

Expense Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. This example does not take into account brokerage commissions that you pay when purchasing or selling Shares of the Fund.

LONG MUNICIPAL INDEX ETF (continued)

An investor purchasing a Creation Unit would pay the following expenses on a \$10,000 investment, assuming all Shares are redeemed at the end of the periods shown, a 5% annual return and that the Fund's operating expenses remain the same. *Investors should note that the presentation below of a \$10,000 investment is for illustration purposes only as Shares will be issued by the Fund only in Creation Units. Further, the return of 5% and estimated expenses are for illustration purposes only, and should not be considered indicators of expected Fund expenses or performance, which may be greater or less than the estimates. Based on these assumptions, your costs[†] would be:*

YEAR	EXPENSES
1	\$ 25
3	\$195
5	\$380
10	\$916

Creation Transaction Fees and Redemption Transaction Fees

The Trust issues and redeems Shares at NAV only in blocks of 100,000 Shares or multiples thereof. As a practical matter, only authorized participants may purchase or redeem these Creation Units. A standard Creation Transaction Fee of \$500 is charged to each purchaser of Creation Units. The fee is the same regardless of the number of Creation Units purchased by an authorized participant on the same day. An authorized participant who holds Creation Units and wishes to redeem at NAV would also pay a standard Redemption Transaction Fee of \$500 on the date of such redemption(s), regardless of the number of Creation Units redeemed that day. Authorized participants who hold Creation Units will also pay the annual Fund operating expenses described in the table on the previous page. Assuming an investment in a Creation Unit of \$1,700,000 and a 5% return each year, and assuming that the Fund's operating expenses remain the same, the total costs[†] would be \$4,250, \$33,150, \$64,600 and \$155,720 if the Creation Unit is redeemed after one, three, five and ten years, respectively. Investors should note that this presentation is for illustration purposes only and actual costs may be higher. See "Shareholder Information—Creation and Redemption of Creation Units."

[†] The cost under the one-year example reflects the Adviser's agreement with the Fund to waive fees and/or reimburse expenses, if any, to the level specified in the fee table. The costs under the three, five and ten year examples do not reflect this agreement after the first year.

If a Creation Unit is purchased or redeemed outside the usual process through the NSCC, if available, or for cash, a variable fee of up to four times the

standard Creation or Redemption Transaction Fee will be charged. An additional variable charge may be assessed for cash creations and redemptions to compensate the Fund for the costs associated with purchasing and selling the applicable securities. See “Shareholder Information–Creation and Redemption of Creation Units–Creation Transaction Fee” and “–Redemption Transaction Fee.”

The Creation Transaction Fee, Redemption Transaction Fee and variable fees are not expenses of the Fund.

Principal Investment Objective and Strategies

Investment Objective. The Fund's investment objective is 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 "Pre-Refunded Index"). For a further description of the Pre-Refunded Index, see "Barclays Capital Municipal Pre-Refunded-Treasury-Escrowed Index."

Principal Investment Policy. The Fund will normally invest at least 80% of its total assets in securities that comprise the benchmark index. A lesser percentage may be so invested to the extent that the Adviser needs additional flexibility to comply with the requirements of the Internal Revenue Code and other regulatory requirements. This 80% investment policy is non-fundamental and requires 60 days' prior written notice to shareholders before it can be changed.

The Fund has adopted a fundamental investment policy to invest at least 80% of its assets in investments suggested by its name. For purposes of this policy, the term "assets" means net assets plus the amount of any borrowings for investment purposes. This percentage limitation applies at the time of investment. The Board of Trustees of the Trust may change the Fund's investment strategy, index and other policies without shareholder approval, except as otherwise indicated.

Indexing Investment Approach. The Fund is not managed according to traditional methods of "active" investment management, which involve the buying and selling of securities based upon economic, financial and market analysis and investment judgment. Instead, the Fund, utilizing a "passive" or indexing investment approach, attempts to approximate the investment performance of the Pre-Refunded Index.

The Fund uses a sampling approach in seeking to achieve its investment objective. Sampling means that the Adviser uses quantitative analysis to select municipal bonds and other securities that represent a sample of securities in the Pre-Refunded Index in terms of key risk factors, performance attributes and other characteristics. The quantity of holdings in the Fund will be based on a number of factors, including asset size of the Fund. The Adviser generally expects the Fund to hold less than the total number of securities in the Pre-Refunded Index, but reserves the right to hold as many securities as it believes necessary to achieve the Fund's investment objective.

In addition, from time to time, securities are added to or removed from the Pre-Refunded Index. The Fund may sell securities that are represented in the Pre-Refunded Index, or purchase securities that are not yet represented in the Pre-Refunded Index, in anticipation of their removal from or addition to the Pre-Refunded Index. Further, the Adviser may choose to overweight securities, purchase or sell securities not in the Pre-Refunded Index, or utilize various

combinations of other available investment techniques, in seeking to track the Pre-Refunded Index.

Sales as a result of Pre-Refunded Index changes could result in the realization of short or long-term capital gains by the Fund thereby resulting in a tax liability for shareholders subject to U.S. federal income tax. See “Shareholder Information–Tax Matters.”

Eligibility Criteria. The Pre-Refunded Index is comprised of pre-refunded and/or escrowed-to-maturity municipal bonds, the payment of principal and interest of which is funded from securities held in a designated escrow account where such securities are obligations of and carry the full faith and credit of the U.S. Treasury. Potential Pre-Refunded Index constituents must have an outstanding par value of at least \$7 million and be issued as part of a transaction of at least \$75 million in market value. The following types of bonds are excluded from the Pre-Refunded Index: taxable municipal bonds, floating rate bonds, derivatives and remarketed issues.

Non-Diversified. The Fund is a separate investment portfolio of the Trust, which is an open-end investment company registered under the 1940 Act. The Fund is classified as a “non-diversified” investment company under the 1940 Act. As a result, the Fund is subject to the risk that it will be more volatile than a diversified fund because the Fund may invest its assets in a smaller number of issuers or may invest larger proportions of the assets of the Fund in a single company within the industries that comprise the Pre-Refunded Index. As a result, the gains and losses on a single security may have a greater impact on the Fund’s NAV and may make the Fund more volatile than diversified funds.

Fundamental and Non-Fundamental Policies. The Fund’s investment objective and each of the other investment policies are non-fundamental policies that may be changed by the Board of Trustees without shareholder approval, except as noted herein or in the SAI under the heading “Investment Policies and Restrictions–Investment Restrictions.”

Principal Risks of Investing in the Fund

Municipal Securities Risk. Municipal securities are subject to the risk that litigation, legislation or other political events, local business or economic conditions or the bankruptcy of the issuer could have a significant effect on an issuer’s ability to make payments of principal and/or interest. In addition, there is a risk that, as a result of the current economic crisis, the ability of any issuer to pay, when due, the principal or interest on its municipal bonds may be materially affected.

Municipal securities can be significantly affected by political changes as well as uncertainties in the municipal market related to taxation, legislative changes or

the rights of municipal security holders. Because many securities are issued to finance similar projects, especially those relating to education, health care, transportation and utilities, conditions in those sectors can affect the overall municipal market. In addition, changes in the financial condition of an individual municipal insurer can affect the overall municipal market.

Municipal securities backed by current or anticipated revenues from a specific project or specific assets can be negatively affected by the discontinuance of the taxation supporting the project or assets or the inability to collect revenues for the project or from the assets. If the IRS determines that an issuer of a municipal security has not complied with applicable tax requirements, interest from the security could become taxable and the security could decline significantly in value.

The market for municipal bonds may be less liquid than for taxable bonds. There may also be less information available on the financial condition of issuers of municipal securities than for public corporations. This means that it may be harder to buy and sell municipal securities, especially on short notice, and municipal securities may be more difficult for the Fund to value accurately than securities of public corporations. Since the Fund invests a significant portion of its portfolio in municipal securities, the Fund's portfolio may have greater exposure to liquidity risk than the Fund that invests in non-municipal securities.

Pre-refunded Bonds. Pre-refunded bonds are bonds that have been refunded to a call date prior to the final maturity of principal, or, in the case of pre-refunded bonds commonly referred to as "escrowed-to-maturity bonds," to the final maturity of principal, and remain outstanding in the municipal market. The payment of principal and interest of the pre-refunded bonds held by the Fund is funded from securities held in a designated escrow account where such securities are obligations of and carry the full faith and credit of the U.S. Treasury. Pre-refunded bonds, if rated, usually will bear a triple-A rating because of this escrow. As the payment of principal and interest is generated from securities held in an escrow account, the pledge of the municipality has been fulfilled and the original pledge of revenue is no longer in place. The securities held in the escrow fund pledged to pay the principal and interest of the pre-refunded bond do not guarantee the price of the bond. Investment in pre-refunded bonds held by the Fund may subject the Fund to interest rate and reinvestment risk. In addition, while a secondary market exists for pre-refunded bonds, if the Fund sells pre-refunded bonds prior to maturity, the price received may be more or less than the original cost, depending on market conditions at the time of sale.

Interest Rate Risk. Interest rate risk is the risk that the value of bonds will fall if interest rates increase. These securities typically fall in value when interest rates

rise and rise in value when interest rates fall. Bonds with longer periods before maturity are often more sensitive to interest rate changes.

Credit Risk. Credit risk refers to the possibility that the issuer of a security will be unable or unwilling to make interest payments and/or repay the principal on its debt. However, credit risk is minimized in the case of investments in pre-refunded bonds held by the Fund because such bonds are backed by a portfolio of securities issued by the U.S. Treasury.

Reinvestment Risk. Reinvestment risk is the risk that proceeds from the current investment, both interest payments and principal payments, may be reinvested in instruments that offer lower yields than the current investment due in part to market conditions and the interest rate environment at the time of reinvestment. Reinvestment risk is greater on short- to intermediate-term instruments.

Market Risk. The prices of the securities in the Fund are subject to the risk associated with investing in the municipal securities market, including sudden and unpredictable drops in value. An investment in the Fund may lose money.

Index Tracking Risk. The Fund's return may not match the return of the Pre-Refunded Index for a number of reasons. For example, the Fund incurs a number of operating expenses not applicable to the Pre-Refunded Index and incurs costs associated with buying and selling securities; especially when rebalancing the Fund's securities holdings to reflect changes in the composition of the Pre-Refunded Index. In addition, the Fund's use of a representative sampling approach may cause the Fund to not be as well correlated with the return of the Pre-Refunded Index as would be the case if the Fund purchased all of the securities in the Pre-Refunded Index in the proportions represented in the Pre-Refunded Index. Because the Fund bears the costs and risks associated with buying and selling securities while such costs and risks are not factored into the return of the Pre-Refunded Index, the Fund's return may deviate significantly from the return of the Pre-Refunded Index. The Fund may not be fully invested at times either as a result of cash flows into the Fund or reserves of cash held by the Fund to meet redemptions and pay expenses. The need to comply with the diversification and other requirements of the Internal Revenue Code may also impact the Fund's ability to replicate the performance of the Pre-Refunded Index.

Risk of Cash Transactions. In certain instances, unlike most ETFs, the Fund may effect creations and redemptions for cash, rather than in-kind securities. As a result, an investment in the Fund may be less tax-efficient than an investment in a more conventional ETF. ETFs generally are able to make in-kind redemptions and avoid being taxed on gain on the distributed portfolio securities at the Fund level. Because the Fund may effect redemptions for cash, rather than in-kind distributions, it may be required to sell portfolio securities in order to obtain the cash needed to distribute redemption proceeds. If the Fund recognizes gain on

these sales, this generally will cause the Fund to recognize gain it might not otherwise have recognized, or to recognize such gain sooner than would otherwise be required if it were to distribute portfolio securities in-kind. The Fund generally intends to distribute these gains to shareholders to avoid being taxed on this gain at the Fund level and otherwise comply with the special tax rules that apply to it. This strategy may cause shareholders to be subject to tax on gains they would not otherwise be subject to, or at an earlier date than, if they had made an investment in a different ETF. Moreover, cash transactions may have to be carried out over several days if the securities market is relatively illiquid and may involve considerable brokerage fees and taxes. These brokerage fees and taxes, which will be higher than if the Fund sold and redeemed its shares principally in-kind, will be passed on to purchasers and redeemers of Creation Units in the form of Creation and Redemption Transaction Fees. In addition, these factors may result in wider spreads between the bid and the offered prices of the Fund's Shares than for more conventional ETFs.

Tax Risk. There is no guarantee that the Fund's income will be exempt from U.S. federal or state income taxes. Events occurring after the date of issuance of a municipal bond or after the Fund's acquisition of a municipal bond may result in a determination that interest on that bond is includible in gross income for U.S. federal income tax purposes retroactively to its date of issuance. Such a determination may cause a portion of prior distributions by the Fund to its shareholders to be taxable to those shareholders in the year of receipt. Federal or state changes in income or alternative minimum tax rates or in the tax treatment of municipal bonds may make municipal bonds less attractive as investments and cause them to lose value.

Replication Management Risk. Unlike many investment companies, the Fund is not actively "managed." Therefore, unless a specific security is removed from the Pre-Refunded Index, the Fund generally would not sell a security because the security's issuer was in financial trouble. If a specific security is removed from the Pre-Refunded Index, the Fund may be forced to sell such security at an inopportune time or for prices other than at current market values. An investment in the Fund involves risks similar to those of investing in any fund of fixed income securities (particularly municipal securities) traded on exchanges, such as market fluctuations caused by such factors as economic and political developments, changes in interest rates and perceived trends in security prices. You should anticipate that the value of the Fund's Shares will decline, more or less, in correspondence with any decline in value of the Pre-Refunded Index. The Pre-Refunded Index may not contain the appropriate mix of securities for any particular economic cycle, and the timing of movements from one type of security to another in seeking to replicate the Pre-Refunded Index could have a negative effect on the Fund. Unlike with an actively managed fund, the Adviser

does not use techniques or defensive strategies designed to lessen the effects of market volatility or to reduce the impact of periods of market decline. This means that based on market and economic conditions, the Fund's performance could be lower than other types of mutual funds that may actively shift their portfolio assets to take advantage of market opportunities or to lessen the impact of a market decline.

Performance

The Fund commenced operations on February 2, 2009 and therefore does not have a performance history for a full calendar year. Visit www.vaneck.com/etf for current performance figures.

Fees and Expenses of the Fund

This table describes the fees and expenses that you may pay if you buy and hold Shares of the Fund.^(a) The total annual fund operating expenses listed below are based on the average net assets of the Fund for its fiscal year ended April 30, 2009. To the extent that the Fund's average net assets decrease over the Fund's next fiscal year, such expenses can be expected to increase because certain fixed costs will be spread over a smaller amount of assets.

Shareholder Expenses	
(fees paid directly from your investment, but see "Shareholder Information—Creation and Redemption of Creation Units" for a discussion of Creation and Redemption Transaction Fees)	None
ANNUAL FUND OPERATING EXPENSES	
(expenses that are deducted from Fund assets)	
Management Fee	0.25%
Other Operating Expenses ^(b)	1.01%
Total Gross Annual Fund Operating Expenses ^(c)	1.26%
Fee Waivers and Expenses Assumption ^(c)	1.02%
Total Net Annual Fund Operating Expenses^(e)	0.24%

^(a) When buying or selling Shares through a broker, you will incur customary brokerage commissions and charges.

^(b) Other operating expenses are based on estimated amounts for the current fiscal year and calculated as a percentage of the Fund's net assets.

^(c) The Adviser has contractually agreed to waive fees and/or pay Fund expenses to the extent necessary to prevent the operating expenses of the Fund (excluding interest expense, offering costs, trading expenses, taxes and extraordinary expenses) from exceeding 0.24% of the Fund's average daily net assets per year at least until September 1, 2010. Offering costs excluded from the 0.24% expense cap are: (a) legal fees pertaining to the Fund's Shares offered for sale; (b) SEC and state registration fees; and (c) initial fees paid for Shares of the Fund to be listed on an exchange.

Expense Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. This example does not take into account brokerage commissions that you pay when purchasing or selling Shares of the Fund.

An investor purchasing a Creation Unit on an in-kind basis would pay the following expenses on a \$10,000 investment, assuming all Shares are redeemed at the end of the periods shown, a 5% annual return and that the Fund's operating expenses remain the same. *Investors should note that the presentation below of a \$10,000 investment is for illustration purposes only as Shares will be issued by the Fund only in Creation Units. Further, the return of 5% and estimated expenses are for illustration purposes only, and should not be considered indicators of expected Fund expenses or performance, which may be greater or less than the estimates. Based on these assumptions, your costs would be:*

YEAR	EXPENSES
1	\$ 25
3	\$299

Creation Transaction Fees and Redemption Transaction Fees

The Trust issues and redeems Shares at NAV only in blocks of 100,000 Shares or multiples thereof. As a practical matter, only authorized participants may purchase or redeem these Creation Units. A standard Creation Transaction Fee of \$500 is charged to each purchaser of Creation Units. The fee is the same regardless of the number of Creation Units purchased by an authorized participant on the same day. An authorized participant who holds Creation Units and wishes to redeem at NAV would also pay a standard Redemption Transaction Fee of \$500 on the date of such redemption(s), regardless of the number of Creation Units redeemed that day. Authorized participants who hold Creation Units will also pay the annual Fund operating expenses described in the table above. Assuming an investment in a Creation Unit of \$2,500,000 and a 5% return each year, and assuming that the Fund's operating expenses remain the same, the total costs would be \$6,250 if the Creation Unit is redeemed after one year and \$74,750 if the Creation Unit is redeemed after three years. Investors should note that this presentation is for illustration purposes only and actual costs may be higher. See "Shareholder Information—Creation and Redemption of Creation Units."

If a Creation Unit is purchased or redeemed outside the usual process through the NSCC, if available, or for cash, a variable fee of up to four times the standard Creation or Redemption Transaction Fee will be charged. An additional

variable charge may be assessed for cash creations and redemptions to compensate the Fund for the costs associated with purchasing and selling the applicable securities. See “Shareholder Information–Creation and Redemption of Creation Units–Creation Transaction Fee” and “–Redemption Transaction Fee.”

The Creation Transaction Fee, Redemption Transaction Fee and variable fees are not expenses of the Fund.

Principal Investment Objective and Strategies

Investment Objective. The Fund's investment objective is to replicate as closely as possible, before fees and expenses, the price and yield performance of the Barclays Capital AMT-Free Short Continuous Municipal Index (the "Short Index"). For a further description of the Short Index, see "Barclays Capital AMT-Free Short Continuous Municipal Index."

Principal Investment Policy. The Fund will normally invest at least 80% of its total assets in fixed income securities that comprise the Short Index. A lesser percentage may be so invested to the extent that the Adviser needs additional flexibility to comply with the requirements of the Internal Revenue Code and other regulatory requirements. This 80% investment policy is non-fundamental and requires 60 days' prior written notice to shareholders before it can be changed.

The Fund has adopted a fundamental investment policy to invest at least 80% of its assets in investments suggested by its name. For purposes of this policy, the term "assets" means net assets plus the amount of any borrowings for investment purposes. This percentage limitation applies at the time of investment. The Board of Trustees of the Trust may change the Fund's investment strategy, index and other policies without shareholder approval, except as otherwise indicated.

Indexing Investment Approach. The Fund is not managed according to traditional methods of "active" investment management, which involve the buying and selling of securities based upon economic, financial and market analysis and investment judgment. Instead, the Fund, utilizing a "passive" or indexing investment approach, attempts to approximate the investment performance of the Short Index.

The Fund uses a sampling approach in seeking to achieve its investment objective. Sampling means that the Adviser uses quantitative analysis to select municipal bonds and other securities that represent a sample of securities in the Short Index in terms of key risk factors, performance attributes and other characteristics. The quantity of holdings in the Fund will be based on a number of factors, including asset size of the Fund. The Adviser generally expects the Fund to hold less than the total number of securities in the Short Index, but reserves the right to hold as many securities as it believes necessary to achieve the Fund's investment objective.

In addition, from time to time, securities are added to or removed from the Short Index. The Fund may sell securities that are represented in the Short Index, or purchase securities that are not yet represented in the Short Index, in anticipation of their removal from or addition to the Short Index. Further, the Adviser may choose to overweight securities, purchase or sell securities not in

the Short Index, or utilize various combinations of other available investment techniques, in seeking to track the Short Index.

Sales as a result of Short Index changes could result in the realization of short or long-term capital gains by the Fund thereby resulting in a tax liability for shareholders subject to U.S. federal income tax. See “Shareholder Information—Tax Matters.”

Eligibility Criteria. To be included in the Short Index, bonds must be rated Baa3/BBB- or higher by at least two of the following ratings agencies: Moody’s, S&P and Fitch. If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. If only one of the three agencies rates a security, the rating must be at least Baa3/BBB-. Potential Short Index constituents must have an outstanding par value of at least \$7 million and be issued as part of a transaction of at least \$75 million. The bonds must be fixed rate, have a dated-date within the last five years and have a nominal maturity of 1 to 6 years. The following types of bonds are excluded from the Short Index: bonds subject to the alternative minimum tax, remarketed issues, taxable municipal bonds, floaters and derivatives. The Short Index has four main sectors: general obligation bonds, revenue bonds, insured bonds and pre-refunded bonds. The Short Index is calculated using a market value weighting methodology.

Non-Diversified. The Fund is a separate investment portfolio of the Trust, which is an open-end investment company registered under the 1940 Act. The Fund is classified as a “non-diversified” investment company under the 1940 Act. As a result, the Fund is subject to the risk that it will be more volatile than a diversified fund because the Fund may invest its assets in a smaller number of issuers or may invest larger proportions of the assets of the Fund in a single company within the industries that comprise the Short Index. As a result, the gains and losses on a single security may have a greater impact on the Fund’s NAV and may make the Fund more volatile than diversified funds.

Fundamental and Non-Fundamental Policies. The Fund’s investment objective and each of the other investment policies are non-fundamental policies that may be changed by the Board of Trustees without shareholder approval, except as noted herein or in the SAI under the heading “Investment Policies and Restrictions—Investment Restrictions.”

Principal Risks of Investing in the Fund

Municipal Securities Risk. Municipal securities are subject to the risk that litigation, legislation or other political events, local business or economic conditions or the bankruptcy of the issuer could have a significant effect on an issuer’s ability to make payments of principal and/or interest. In addition, there is a risk that, as a result of the current economic crisis, the ability of any issuer

to pay, when due, the principal or interest on its municipal bonds may be materially affected.

Municipal securities can be significantly affected by political changes as well as uncertainties in the municipal market related to taxation, legislative changes or the rights of municipal security holders. Because many securities are issued to finance similar projects, especially those relating to education, health care, transportation and utilities, conditions in those sectors can affect the overall municipal market. In addition, changes in the financial condition of an individual municipal insurer can affect the overall municipal market.

Municipal securities backed by current or anticipated revenues from a specific project or specific assets can be negatively affected by the discontinuance of the taxation supporting the project or assets or the inability to collect revenues for the project or from the assets. If the IRS determines that an issuer of a municipal security has not complied with applicable tax requirements, interest from the security could become taxable and the security could decline significantly in value.

The market for municipal bonds may be less liquid than for taxable bonds. There may also be less information available on the financial condition of issuers of municipal securities than for public corporations. This means that it may be harder to buy and sell municipal securities, especially on short notice, and municipal securities may be more difficult for the Fund to value accurately than securities of public corporations. Since the Fund invests a significant portion of its portfolio in municipal securities, the Fund's portfolio may have greater exposure to liquidity risk than the Fund that invests in non-municipal securities.

Credit Risk. Credit risk refers to the possibility that the issuer of a security will be unable or unwilling to make interest payments and/or repay the principal on its debt. In the case of revenue bonds, notes or commercial paper, for example, the credit risk is the possibility that the user fees from a project or other specified revenue sources are insufficient to meet interest and/or principal payment obligations. Private activity bonds used to finance projects, such as industrial development and pollution control, may also be negatively impacted by the general credit of the user of the project. The Fund may hold securities that are insured by a bond insurer. A downgrade of the credit rating of such bond insurer may cause the value of the insured security to decline.

Interest Rate Risk. Interest rate risk is the risk that the value of bonds will fall if interest rates increase. These securities typically fall in value when interest rates rise and rise in value when interest rates fall. Bonds with longer periods before maturity are often more sensitive to interest rate changes.

Call Risk. The Fund may invest in callable bonds, and such issuers may "call" or repay these securities with higher coupon or interest rates before the security's

maturity date. If interest rates are falling, the Fund may have to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the Fund's income.

Lease Obligations Risk. Lease obligations may have risks not normally associated with general obligation or other revenue bonds. Leases and installment purchase or conditional sale contracts (which may provide for title to the leased asset to pass eventually to the issuer) have developed as a means for governmental issuers to acquire property and equipment without the necessity of complying with the constitutional statutory requirements generally applicable for the issuance of debt.

Certain lease obligations contain "non-appropriation" clauses that provide that the governmental issuer has no obligation to make future payments under the lease or contract unless money is appropriated for that purpose by the appropriate legislative body on an annual or other periodic basis. Consequently, continued lease payments on those lease obligations containing "non-appropriation" clauses are dependent on future legislative actions. If these legislative actions do not occur, the holders of the lease obligation may experience difficulty in exercising their rights, including disposition of the property.

Tobacco Bond Risk. Tobacco settlement revenue bonds are generally neither general nor legal obligations of a state or any of its political subdivisions and neither the faith and credit nor the taxing power nor any other assets or revenues of a state or of any political subdivision will be pledged to the payment of any such bonds. In addition, tobacco companies' profits from the sale of tobacco products are inherently variable and difficult to estimate. There can be no guarantee that tobacco companies will earn enough revenues to cover the payments due under tobacco bonds.

Education Bond Risk. In general, there are two types of education-related bonds: those issued to finance projects for public and private colleges and universities, and those representing pooled interests in student loans. Bonds issued to supply educational institutions with funds are subject to the risk of unanticipated revenue decline, primarily the result of decreasing student enrollment or decreasing state and federal funding. Among the factors that may lead to declining or insufficient revenues are restrictions on students' ability to pay tuition, availability of state and federal funding and general economic conditions. Student loan revenue bonds are generally offered by state (or substate) authorities or commissions and are backed by pools of student loans. Underlying student loans may be guaranteed by state guarantee agencies and may be subject to reimbursement by the United States Department of Education through its guaranteed student loan program. Others may be private, uninsured loans

made to parents or students which are supported by reserves or other forms of credit enhancement. Recoveries of principal due to loan defaults may be applied to redemption of bonds or may be used to re-lend, depending on program latitude and demand for loans. Cash flows supporting student loan revenue bonds are impacted by numerous factors, including the rate of student loan defaults, seasoning of the loan portfolio, and student repayment deferral periods of forbearance. Other risks associated with student loan revenue bonds include potential changes in federal legislation regarding student loan revenue bonds, state guarantee agency reimbursement and continued federal interest and other program subsidies currently in effect.

Electric Utilities Bond Risk. The electric utilities industry has been experiencing, and will continue to experience, increased competitive pressures. Federal legislation in the last two years will open transmission access to any electricity supplier, although it is not presently known to what extent competition will evolve. Other risks include: (a) the availability and cost of fuel; (b) the availability and cost of capital; (c) the effects of conservation on energy demand; (d) the effects of rapidly changing environmental, safety and licensing requirements, and other federal, state and local regulations; (e) timely and sufficient rate increases; and (f) opposition to nuclear power.

Housing Bond Risk. Housing revenue bonds are generally issued by a state, county, city, local housing authority or other public agency. They generally are secured by the revenues derived from mortgages purchased with the proceeds of the bond issue. It is extremely difficult to predict the supply of available mortgages to be purchased with the proceeds of an issue or the future cash flow from the underlying mortgages. Consequently, there are risks that proceeds will exceed supply, resulting in early retirement of bonds, or that homeowner repayments will create an irregular cash flow. Many factors may affect the financing of multi-family housing projects, including acceptable completion of construction, proper management, occupancy and rent levels, economic conditions and changes to current laws and regulations.

Transportation Bond Risk. Transportation debt may be issued to finance the construction of airports, toll roads, highways or other transit facilities. Airport bonds are dependent on the general stability of the airline industry and on the stability of a specific carrier who uses the airport as a hub. Air traffic generally follows broader economic trends and is also affected by the price and availability of fuel. Toll road bonds are also affected by the cost and availability of fuel as well as toll levels, the presence of competing roads and the general economic health of an area. Fuel costs and availability also affect other transportation-related securities, as do the presence of alternate forms of transportation, such as public transportation.

Water and Sewer Bond Risk. Water and sewer revenue bonds are often considered to have relatively secure credit as a result of their issuer's importance, monopoly status and generally unimpeded ability to raise rates. Despite this, lack of water supply due to insufficient rain, run-off or snow pack is a concern that has led to past defaults. Further, public resistance to rate increases, costly environmental litigation and federal environmental mandates are challenges faced by issuers of water and sewer bonds.

Market Risk. The prices of the securities in the Fund are subject to the risk associated with investing in the municipal securities market, including sudden and unpredictable drops in value. An investment in the Fund may lose money.

Index Tracking Risk. The Fund's return may not match the return of the Short Index for a number of reasons. For example, the Fund incurs a number of operating expenses not applicable to the Short Index and incurs costs associated with buying and selling securities; especially when rebalancing the Fund's securities holdings to reflect changes in the composition of the Short Index. In addition, the Fund's use of a representative sampling approach may cause the Fund to not be as well correlated with the return of the Short Index as would be the case if the Fund purchased all of the securities in the Short Index in the proportions represented in the Short Index. Because the Fund bears the costs and risks associated with buying and selling securities while such costs and risks are not factored into the return of the Short Index, the Fund's return may deviate significantly from the return of the Short Index. The Fund may not be fully invested at times either as a result of cash flows into the Fund or reserves of cash held by the Fund to meet redemptions and pay expenses. The need to comply with the diversification and other requirements of the Internal Revenue Code may also impact the Fund's ability to replicate the performance of the Short Index.

Risk of Cash Transactions. In certain instances, unlike most ETFs, the Fund may effect creations and redemptions for cash, rather than in-kind securities. As a result, an investment in the Fund may be less tax-efficient than an investment in a more conventional ETF. ETFs generally are able to make in-kind redemptions and avoid being taxed on gain on the distributed portfolio securities at the Fund level. Because the Fund may effect redemptions for cash, rather than in-kind distributions, it may be required to sell portfolio securities in order to obtain the cash needed to distribute redemption proceeds. If the Fund recognizes gain on these sales, this generally will cause the Fund to recognize gain it might not otherwise have recognized, or to recognize such gain sooner than would otherwise be required if it were to distribute portfolio securities in-kind. The Fund generally intends to distribute these gains to shareholders to avoid being taxed on this gain at the Fund level and otherwise comply with the special tax rules that apply to it. This strategy may cause shareholders to be subject to tax on

gains they would not otherwise be subject to, or at an earlier date than, if they had made an investment in a different ETF. Moreover, cash transactions may have to be carried out over several days if the securities market is relatively illiquid and may involve considerable brokerage fees and taxes. These brokerage fees and taxes, which will be higher than if the Fund sold and redeemed its shares principally in-kind, will be passed on to purchasers and redeemers of Creation Units in the form of Creation and Redemption Transaction Fees. In addition, these factors may result in wider spreads between the bid and the offered prices of the Fund's Shares than for more conventional ETFs.

Tax Risk. There is no guarantee that the Fund's income will be exempt from U.S. federal or state income taxes. Events occurring after the date of issuance of a municipal bond or after the Fund's acquisition of a municipal bond may result in a determination that interest on that bond is includible in gross income for U.S. federal income tax purposes retroactively to its date of issuance. Such a determination may cause a portion of prior distributions by the Fund to its shareholders to be taxable to those shareholders in the year of receipt. Federal or state changes in income or alternative minimum tax rates or in the tax treatment of municipal bonds may make municipal bonds less attractive as investments and cause them to lose value.

Replication Management Risk. Unlike many investment companies, the Fund is not actively "managed." Therefore, unless a specific security is removed from the Short Index, the Fund generally would not sell a security because the security's issuer was in financial trouble. If a specific security is removed from the Short Index, the Fund may be forced to sell such security at an inopportune time or for prices other than at current market values. An investment in the Fund involves risks similar to those of investing in any fund of fixed income securities (particularly municipal securities) traded on exchanges, such as market fluctuations caused by such factors as economic and political developments, changes in interest rates and perceived trends in security prices. You should anticipate that the value of the Fund's Shares will decline, more or less, in correspondence with any decline in value of the Short Index. The Short Index may not contain the appropriate mix of securities for any particular economic cycle, and the timing of movements from one type of security to another in seeking to replicate the Short Index could have a negative effect on the Fund. Unlike with an actively managed fund, the Adviser does not use techniques or defensive strategies designed to lessen the effects of market volatility or to reduce the impact of periods of market decline. This means that based on market and economic conditions, the Fund's performance could be lower than other types of mutual funds that may actively shift their portfolio assets to take advantage of market opportunities or to lessen the impact of a market decline.

Performance

The Fund commenced operations on February 22, 2008 and therefore does not have a performance history for a full calendar year. Visit www.vaneck.com/etf for current performance figures.

Fees and Expenses of the Fund

This table describes the fees and expenses that you may pay if you buy and hold Shares of the Fund.^(a) The total annual fund operating expenses listed below are based on the average net assets of the Fund for its fiscal year ended April 30, 2009. To the extent that the Fund's average net assets decrease over the Fund's next fiscal year, such expenses can be expected to increase because certain fixed costs will be spread over a smaller amount of assets.

Shareholder Expenses

(fees paid directly from your investment, but see "Shareholder Information—Creation and Redemption of Creation Units" for a discussion of Creation and Redemption Transaction Fees) None

ANNUAL FUND OPERATING EXPENSES

(expenses that are deducted from Fund assets)

Management Fee	0.25%
Other Operating Expenses ^(b)	0.86%
Total Gross Annual Fund Operating Expenses ^(c)	1.11%
Fee Waivers and Expenses Assumption ^(c)	0.91%
Total Net Annual Fund Operating Expenses^(c)	0.20%

^(a) When buying or selling Shares through a broker, you will incur customary brokerage commissions and charges.

^(b) Other operating expenses are calculated as a percentage of the Fund's net assets.

^(c) The Adviser has contractually agreed to waive fees and/or pay Fund expenses to the extent necessary to prevent the operating expenses of the Fund (excluding interest expense, offering costs, trading expenses, taxes and extraordinary expenses) from exceeding 0.20% of the Fund's average daily net assets per year at least until September 1, 2010. Offering costs excluded from the 0.20% expense cap are: (a) legal fees pertaining to the Fund's Shares offered for sale; (b) SEC and state registration fees; and (c) initial fees paid for Shares of the Fund to be listed on an exchange.

Expense Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. This example does not take into account brokerage commissions that you pay when purchasing or selling Shares of the Fund.

An investor purchasing a Creation Unit on an in-kind basis would pay the following expenses on a \$10,000 investment, assuming all Shares are redeemed

SHORT MUNICIPAL INDEX ETF (continued)

at the end of the periods shown, a 5% annual return and that the Fund's operating expenses remain the same. *Investors should note that the presentation below of a \$10,000 investment is for illustration purposes only as Shares will be issued by the Fund only in Creation Units. Further, the return of 5% and estimated expenses are for illustration purposes only, and should not be considered indicators of expected Fund expenses or performance, which may be greater or less than the estimates. Based on these assumptions, your costs[†] would be:*

YEAR	EXPENSES
1	\$ 20
3	\$ 262
5	\$ 523
10	\$1,270

Creation Transaction Fees and Redemption Transaction Fees

The Trust issues and redeems Shares at NAV only in blocks of 100,000 Shares or multiples thereof. As a practical matter, only authorized participants may purchase or redeem these Creation Units. A standard Creation Transaction Fee of \$500 is charged to each purchaser of Creation Units. The fee is the same regardless of the number of Creation Units purchased by an authorized participant on the same day. An authorized participant who holds Creation Units and wishes to redeem at NAV would also pay a standard Redemption Transaction Fee of \$500 on the date of such redemption(s), regardless of the number of Creation Units redeemed that day. Authorized participants who hold Creation Units will also pay the annual Fund operating expenses described in the table on the previous page. Assuming an investment in a Creation Unit of \$1,700,000 and a 5% return each year, and assuming that the Fund's operating expenses remain the same, the total costs[†] would be \$3,400, \$44,540, \$88,910 and \$215,900 if the Creation Unit is redeemed after one, three, five and ten years, respectively. Investors should note that this presentation is for illustration purposes only and actual costs may be higher. See "Shareholder Information—Creation and Redemption of Creation Units."

If a Creation Unit is purchased or redeemed outside the usual process through the NSCC, if available, or for cash, a variable fee of up to four times the standard Creation or Redemption Transaction Fee will be charged. An additional variable charge may be assessed for cash creations and redemptions to compensate the Fund for the costs associated with purchasing and selling the

[†] The cost under the one-year example reflects the Adviser's agreement with the Fund to waive fees and/or reimburse expenses, if any, to the level specified in the fee table. The costs under the three, five and ten year examples do not reflect this agreement after the first year.

applicable securities. See “Shareholder Information—Creation and Redemption of Creation Units—Creation Transaction Fee” and “—Redemption Transaction Fee.”

The Creation Transaction Fee, Redemption Transaction Fee and variable fees are not expenses of the Fund.

The Barclays Capital Municipal Custom High Yield Composite Index is a market size weighted index comprised of publicly traded municipal bonds that cover the U.S. dollar denominated high yield long-term tax-exempt bond market. It is a total return benchmark designed for high quality and tax-efficient investments. The majority of the High Yield Index's constituents are from the revenue sector, with some constituents being from the general obligation sector. The revenue sector is divided into industry sectors that consist of but may not be limited to electric, health care, transportation, education, water & sewer, resource recovery, leasing and special tax.

The High Yield Index is calculated using a market value weighting methodology. The High Yield Index tracks the high yield municipal bond market with a 75% weight in non-investment grade municipal bonds and a 25% weight in Baa/BBB-rated investment grade municipal bonds. It is comprised of three total return, market size weighted benchmark indexes with weights as follows:

- 50% weight in Muni High Yield/\$100 Million Deal Size Index.
 - To be included in the Muni High Yield/\$100 Million Deal Size Index, bonds must be unrated or rated Ba1/BB+ or lower by at least two of the following rating agencies if all three rate the bond: Moody's, S&P, Fitch. If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. If only one of the three agencies rates a security, the rating must be Ba1/BB+ or lower. Bonds in the Muni High Yield/\$100 Million Deal Size Index must have an outstanding par value of at least \$3 million and be issued as part of a transaction of at least \$100 million.
- 25% weight in Muni High Yield/Under \$100 Million Deal Size Index.
 - To be included in the Muni High Yield/Under \$100 Million Deal Size Index, bonds must be unrated or rated Ba1/BB+ or lower by at least two of the following rating agencies if all three rate the bond: Moody's, S&P, Fitch. If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. If only one of the three agencies rates a security, the rating must be Ba1/BB+ or lower. Bonds in the Muni High Yield/Under \$100 Million Deal Size Index must have an outstanding par value of at least \$3 million and be issued as part of a transaction of under \$100 million but over \$20 million.
- 25% weight in Muni Baa-Rated/\$100 Million Deal Size Index.
 - To be included in the Muni Baa-Rated/\$100 Million Deal Size Index, bonds must have a Barclays Capital Index Rating between Baa1/BBB+ and Baa3/BBB-. Barclays Capital Index Rating is based on the three rating agencies, Moody's, S&P, Fitch. If two of the three agencies rate the bond equivalently, then that rating is used. If all three rate the bond differently, the middle rating is used. If only two of the three agencies rate the security, the lower rating is used to determine index

eligibility. If only one of the three agencies rates a security, the rating must be Baa1/BBB+, Baa2/BBB, or Baa3/BBB-. The bonds must have an outstanding par value of at least \$7 million and be issued as part of a transaction of at least \$100 million. Remarketed issues are not allowed in the benchmark.

All bonds must have a fixed rate, a dated-date after December 31, 1990 and must be at least one year from their maturity date. Taxable municipal bonds, bonds with floating rates and derivatives are excluded from the three indexes.

The composition of the High Yield Index is rebalanced monthly. Interest and principal payments earned by the component securities are held in the High Yield Index without a reinvestment return until month end when it is removed from the High Yield Index. Qualifying securities issued, but not necessarily settled, on or before the month-end rebalancing date qualify for inclusion in the High Yield Index in the following month.

Total returns are calculated based on the sum of price changes, gain/loss on repayments of principal, and coupon received or accrued, expressed as a percentage of beginning market value. The High Yield Index is calculated and is available once a day.

The Barclays Capital AMT-Free Intermediate Continuous Municipal Index is a market size weighted index comprised of publicly traded municipal bonds that cover the U.S. dollar denominated intermediate term tax-exempt bond market. It is a total return benchmark designed for high quality and tax-efficient investments. The Intermediate Index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-funded bonds. The sectors of general obligation, insured and pre-refunded are further divided into sub-sectors based on the range of maturity. The revenue sector is divided into industry sectors that consist of electric, industrial development/pollution control revenue (“IDR/PCR”), transportation, education, water & sewer, resource recovery, leasing and special tax.

To be included in the Intermediate Index, bonds must be rated Baa3/BBB- or higher by at least two of the following ratings agencies: Moody’s, S&P and Fitch. If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. If only one of the three agencies rates a security, the rating must be at least Baa3/BBB-. Potential Intermediate Index constituents must have an outstanding par value of at least \$7 million and be issued as part of a transaction of at least \$75 million. The bonds must be fixed rate, have a dated-date within the last five years and have a nominal maturity of 6 to 17 years. The following types of bonds are excluded from the Intermediate Index: bonds subject to the alternative minimum tax, remarketed issues, taxable municipal bonds, floating rate bonds and derivatives. The Intermediate Index is calculated using a market value weighting methodology.

The composition of the Intermediate Index is rebalanced monthly. Interest and principal payments earned by the component securities are held in the Intermediate Index without a reinvestment return until month end when it is removed from the Intermediate Index. Qualifying securities issued, but not necessarily settled, on or before the month-end rebalancing date qualify for inclusion in the Intermediate Index in the following month.

Total returns are calculated based on the sum of price changes, gain/loss on repayments of principal, and coupon received or accrued, expressed as a percentage of beginning market value. The Intermediate Index is calculated once a day by Barclays Capital.

The Barclays Capital AMT-Free Long Continuous Municipal Index is a market size weighted index comprised of publicly traded municipal bonds that cover the U.S. dollar denominated long-term tax-exempt bond market. It is a total return benchmark designed for high quality and tax-efficient investments. The Long Index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds. The sectors of general obligation, insured and pre-refunded are further divided into sub-sectors based on the range of maturity. The revenue sector is divided into industry sectors that consist of electric, IDR/PCR, transportation, education, water & sewer, resource recovery, leasing and special tax.

To be included in the Long Index, bonds must be rated Baa3/BBB- or higher by at least two of the following ratings agencies: Moody's, S&P and Fitch. If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. If only one of the three agencies rates a security, the rating must be at least Baa3/BBB-. Potential Long Index constituents must have an outstanding par value of at least \$7 million and be issued as part of a transaction of at least \$75 million. The bonds must be fixed rate, have a dated-date within the last five years and have a nominal maturity of 17 or more years. The following types of bonds are excluded from the Long Index: bonds subject to the alternative minimum tax, remarketed issues, taxable municipal bonds, floating rate bonds and derivatives. The Long Index is calculated using a market value weighting methodology.

The composition of the Long Index is rebalanced monthly. Interest and principal payments earned by the component securities are held in the Long Index without a reinvestment return until month end when it is removed from the Long Index. Qualifying securities issued, but not necessarily settled, on or before the month end rebalancing date qualify for inclusion in the Long Index in the following month.

Total returns are calculated based on the sum of price changes, gain/loss on repayments of principal, and coupon received or accrued, expressed as a percentage of beginning market value. The Long Index is calculated once a day by Barclays Capital.

The Barclays Capital Municipal Pre-Refunded–Treasury-Escrowed Index is a market size weighted index comprised of publicly traded municipal bonds that cover the U.S. dollar denominated tax exempt bond market. It is a total return benchmark designed for high quality and tax efficient investments. The Pre-Refunded Index is comprised of pre-refunded and/or escrowed-to-maturity municipal bonds, provided that the collateral in the escrow account is comprised strictly of obligations of and carry the full faith and credit of the U.S. Treasury. To be included in the Pre-Refunded Index, bonds must have an explicit or implicit credit rating of AAA.

The Pre-Refunded Index is calculated using a market value weighting methodology. Potential Pre-Refunded Index constituents must have an outstanding par value of at least \$7 million and be issued as part of a transaction of at least \$75 million in market value. Each potential Pre-Refunded Index component must be pre-refunded or escrowed-to-maturity, provided that the underlying collateral in the escrow account is comprised strictly of marketable U.S. Treasury securities and/or U.S. Treasury-issued State and Local Government Series (SLGS) securities. In addition, each potential Pre-Refunded Index component must have a fixed rate coupon and be denominated in U.S. dollars. The following types of bonds are excluded from the Pre-Refunded Index: taxable municipal bonds, floating rate bonds, derivatives and remarketed issues.

The composition of the Pre-Refunded Index is rebalanced monthly. Interest and principal payments earned by the component securities are held in the Pre-Refunded Index without a reinvestment return until month end when it is removed from the Pre-Refunded Index. Qualifying securities issued, but not necessarily settled, on or before the month end rebalancing date qualify for inclusion in the Pre-Refunded Index following month.

Total returns are calculated based on the sum of price changes, gain/loss on repayments of principal, and coupon received or accrued, expressed as a percentage of beginning market value. The Pre-Refunded Index is calculated once a day by Barclays Capital.

The Barclays Capital AMT-Free Short Continuous Municipal Index is a market size weighted index comprised of publicly traded municipal bonds that cover the U.S. dollar denominated short-term tax-exempt bond market. It is a total return benchmark designed for high quality and tax-efficient investments. The Short Index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds. The sectors of general obligation, insured and pre-refunded are further divided into sub-sectors based on the range of maturity. The revenue sector is divided into industry sectors that consist of electric, IDR/PCR, transportation, education, water & sewer, resource recovery, leasing and special tax.

To be included in the Short Index, bonds must be rated Baa3/BBB- or higher by at least two of the following ratings agencies: Moody's, S&P and Fitch. If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. If only one of the three agencies rates a security, the rating must be at least Baa3/BBB-. Potential Short Index constituents must have an outstanding par value of at least \$7 million and be issued as part of a transaction of at least \$75 million. The bonds must be fixed rate, have a dated-date within the last five years and have a nominal maturity of 1 to 6 years. The following types of bonds are excluded from the Short Index: bonds subject to the alternative minimum tax, remarketed issues, taxable municipal bonds, floating rate bonds and derivatives. The Short Index is calculated using a market value weighting methodology.

The composition of the Short Index is rebalanced monthly. Interest and principal payments earned by the component securities are held in the Short Index without a reinvestment return until month end when it is removed from the Short Index. Qualifying securities issued, but not necessarily settled, on or before the month-end rebalancing date qualify for inclusion in the Short Index in the following month.

Total returns are calculated based on the sum of price changes, gain/loss on repayments of principal, and coupon received or accrued, expressed as a percentage of beginning market value. The Short Index is calculated once a day by Barclays Capital.

PORTFOLIO HOLDINGS

A description of each Fund's policies and procedures with respect to the disclosure of the Fund's portfolio securities is available in the Funds' SAI.

ADDITIONAL INVESTMENT STRATEGIES

Each Fund may invest its remaining assets in money market instruments, including repurchase agreements or other funds which invest exclusively in money market instruments, convertible securities, structured notes (notes on which the amount of principal repayment and interest payments are based on the movement of one or more specified factors, such as the movement of a particular bond or bond index) and in swaps, options and futures contracts. Swaps, options and futures contracts (and convertible securities and structured notes) may be used by each Fund in seeking performance that corresponds to its respective Index, and in managing cash flows. The Funds will not invest in money market instruments as part of a temporary defensive strategy to protect against potential stock market declines.

ADDITIONAL RISKS OF INVESTING IN THE FUNDS

Leverage Risk. To the extent that a Fund borrows money, it may be leveraged; at such times, the Fund may appreciate or depreciate in value more rapidly than its respective Index.

Short History of an Active Market. Each Fund is a recently organized series of an investment company with limited operating history. While Shares are listed on NYSE Arca, there can be no assurance that active trading markets for the Shares will be maintained. Van Eck Securities Corporation, the distributor of the Shares (the "Distributor"), does not maintain a secondary market in the Shares.

Trading Issues. Trading in Shares on NYSE Arca may be halted due to market conditions or for reasons that, in the view of NYSE Arca, make trading in Shares inadvisable. In addition, trading in Shares on NYSE Arca is subject to trading halts caused by extraordinary market volatility pursuant to NYSE Arca "circuit breaker" rules. There can be no assurance that the requirements of NYSE Arca necessary to maintain the listing of the Funds will continue to be met or will remain unchanged.

Fluctuation of NAV. The NAV of the Shares fluctuates with changes in the market value of each Fund's securities holdings. The market prices of Shares fluctuate in accordance with changes in NAV and supply and demand on NYSE Arca. The Adviser cannot predict whether Shares will trade below, at or above their NAV. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for Shares will be closely related

to, but not identical to, the same forces influencing the prices of the securities of each Fund's respective Index trading individually or in the aggregate at any point in time. However, given that Shares can be created and redeemed daily in Creation Units at NAV (unlike shares of closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their NAV), the Adviser believes that large discounts or premiums to the NAV of the Shares are not likely to be sustained over the long-term. In addition, disruptions to creations and redemptions or the existence of extreme market volatility may result in trading prices that differ significantly from NAV. If a shareholder purchases at a time when the market price is at a premium to the NAV or sells at a time when the market price is at a discount to the NAV, the shareholder may sustain losses.

MANAGEMENT

Board of Trustees. The Board of Trustees of the Trust has responsibility for the general oversight of the management of the Funds, including general supervision of the Adviser and other service providers, but is not involved in the day-to-day management of the Trust. A list of the Trustees and the Trust officers, and their present positions and principal occupations, is provided in the Funds' SAI.

Investment Manager. Under the terms of an Investment Management Agreement between the Trust and Van Eck Associates Corporation with respect to the Funds (the "Investment Management Agreement"), Van Eck Associates Corporation serves as the adviser to the Funds and, subject to the supervision of the Board of Trustees, is responsible for the day-to-day investment management of the Funds. As of July 31, 2009, the Adviser managed approximately \$13.3 billion in assets. The Adviser's principal business address is 335 Madison Avenue, 19th Floor, New York, New York 10017.

A discussion regarding the Board of Trustees' approval of the Investment Management Agreement with respect to all Funds except Market Vectors Pre-Refunded Municipal Index ETF is available in the Trust's semi-annual report for the period ended October 31, 2008. A discussion regarding the Board of Trustees' approval of the Investment Management Agreement with respect to Market Vectors Pre-Refunded Municipal Index ETF is available in the Trust's annual report for the period ended April 30, 2009.

For the services provided to each Fund under the Investment Management Agreement, each Fund pays the Adviser monthly fees based on a percentage of each Fund's average daily net assets at the annual rate of 0.25% (0.50% with respect to Market Vectors High-Yield Municipal Index ETF) for each Fund. From time to time, the Adviser may waive all or a portion of its fee. Until at least September 1, 2010, the Adviser has contractually agreed to waive fees and/or

PORTFOLIO MANAGERS

pay Fund expenses to the extent necessary to prevent the operating expenses of each Fund (excluding interest expense, offering costs, trading expenses, taxes and extraordinary expenses) from exceeding 0.35% (with respect to Market Vectors High-Yield Municipal Index ETF), 0.24% (with respect to Market Vectors Intermediate Municipal Index ETF, Market Vectors Long Municipal Index ETF and Market Vectors Pre-Refunded Municipal Index ETF) and 0.20% (with respect to Market Vectors Short Municipal Index ETF) of its average daily net assets per year. Offering costs excluded from the expense caps are: (a) legal fees pertaining to the Funds' Shares offered for sale; (b) SEC and state registration fees; and (c) initial fees paid for Shares of a Fund to be listed on an exchange.

Each Fund is responsible for all of its expenses, including the investment advisory fees, costs of transfer agency, custody, legal, audit and other services, interest, taxes, any distribution fees or expenses, offering fees or expenses and extraordinary expenses.

Administrator, Custodian and Transfer Agent. Van Eck Associates Corporation is the administrator for the Funds (the "Administrator"), and The Bank of New York Mellon (formerly known as The Bank of New York) is the custodian of each Fund's assets and provides transfer agency and fund accounting services to the Funds. The Administrator is responsible for certain clerical, recordkeeping and/or bookkeeping services which are provided pursuant to the relevant Investment Management Agreement.

Distributor. Van Eck Securities Corporation is the distributor of each Fund's Shares. The Distributor will not distribute Shares in less than Creation Units, and does not maintain a secondary market in the Shares. As noted in the section entitled "Shareholder Information—Buying and Selling Exchange-Traded Shares," the Shares are traded in the secondary market.

PORTFOLIO MANAGERS

The portfolio managers who currently share joint responsibility for the day-to-day management of each Fund's portfolio are James T. Colby III and Michael F. Mazier. Mr. Colby has been employed by the Adviser since September 2007. Prior to joining the Adviser, Mr. Colby served as Senior Portfolio Manager and Director of Municipal High Yield for Lord Abbett as well as Director and Senior Portfolio Manager for Municipal Fixed Income at the John Hancock Funds in Boston. Mr. Colby graduated from Brown University in 1972 with a Bachelor of Arts in Economics and International Relations; and from Hofstra University in 1979 with a Masters of Business Administration in Finance. Mr. Mazier has been employed by the Adviser since August 2007. Prior to joining the Adviser, Mr. Mazier served as a bond analyst in the Fixed Income Research department of Morgan Stanley. He was also Vice President at Merrill Lynch Global Research

Department, where he covered closed-end funds. Mr. Mazier graduated from Syracuse University in 1983 with a Bachelor of Science majoring in Electrical Engineering; graduated from Villanova University in 1986 with a Master of Science in Computer Engineering; and graduated from Columbia Business School in 1990 with a Master of Business Administration. Messrs. Mazier and Colby serve as portfolio managers of five funds of the Trust. Mr. Mazier also serves as a portfolio manager for certain other investment companies advised by the Adviser. Messrs. Mazier and Colby have served as the portfolio managers of each Fund since its inception. See the Funds' SAI for additional information about the portfolio managers' compensation, other accounts managed by the portfolio managers and their respective ownership of Shares.

Determination of NAV

The NAV per Share for each Fund is computed by dividing the value of the net assets of the Fund (*i.e.*, the value of its total assets less total liabilities) by the total number of Shares outstanding. Expenses and fees, including the management fee, are accrued daily and taken into account for purposes of determining NAV. The NAV of each Fund is determined each business day as of the close of trading (ordinarily 4:00 p.m. Eastern time) on the New York Stock Exchange (“NYSE”).

Each Fund’s portfolio securities (except for short-term taxable debt securities and certain other investments) are valued by an outside independent pricing service. The service uses a computerized grid matrix of tax-exempt securities and its evaluations in determining what it believes is the fair value of the portfolio securities. Each Fund believes that timely and reliable market quotations are generally not readily available to each Fund to value tax-exempt securities and the valuations that the pricing service supplies are more likely to approximate the fair value of the securities. Each Fund may also use fair value pricing in a variety of circumstances, including but not limited to, situations when the value of a security in a Fund’s portfolio has been materially affected by events occurring after the close of the market on which the security is principally traded (such as a corporate action or other news that may materially affect the price of a security) or trading in a security has been suspended or halted. Accordingly, a Fund’s NAV is expected to reflect certain portfolio securities’ fair values rather than their market prices. Fair value pricing involves subjective judgments and it is possible that a fair value determination for a security is materially different than the value that could be realized upon the sale of the security. In addition, fair value pricing could result in a difference between the prices used to calculate a Fund’s NAV and the prices used by the Fund’s Index. This may adversely affect a Fund’s ability to track its Index.

Buying and Selling Exchange-Traded Shares

The Shares of the Funds are listed on NYSE Arca. If you buy or sell Shares in the secondary market, you will incur customary brokerage commissions and charges and may pay some or all of the spread between the bid and the offered price in the secondary market on each leg of a round trip (purchase and sale) transaction. The Shares of the Funds trade in the secondary market at prices that may differ to varying degrees from the closing NAVs of the Shares. Given, however, that Shares can be created and redeemed daily in Creation Units, the Adviser believes that large discounts and premiums to NAV should not be sustained for very long.

DTC serves as securities depository for the Shares. (The Shares may be held only in book-entry form; stock certificates will not be issued.) DTC, or its

nominee, is the record or registered owner of all outstanding Shares. Beneficial ownership of Shares will be shown on the records of DTC or its participants (described below). Beneficial owners of Shares are not entitled to have Shares registered in their names, will not receive or be entitled to receive physical delivery of certificates in definitive form and are not considered the registered holder thereof. Accordingly, to exercise any rights of a holder of Shares, each beneficial owner must rely on the procedures of: (i) DTC; (ii) “DTC Participants,” *i.e.*, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations, some of whom (and/or their representatives) own DTC; and (iii) “Indirect Participants,” *i.e.*, brokers, dealers, banks and trust companies that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly, through which such beneficial owner holds its interests. The Trust understands that under existing industry practice, in the event the Trust requests any action of holders of Shares, or a beneficial owner desires to take any action that DTC, as the record owner of all outstanding Shares, is entitled to take, DTC would authorize the DTC Participants to take such action and that the DTC Participants would authorize the Indirect Participants and beneficial owners acting through such DTC Participants to take such action and would otherwise act upon the instructions of beneficial owners owning through them. As described above, the Trust recognizes DTC or its nominee as the owner of all Shares for all purposes. For more information, see the section entitled “Book Entry Only System” in the Funds’ SAI.

Market Timing and Related Matters. The Funds impose no restrictions on the frequency of purchases and redemptions. In determining not to approve a written, established policy limiting purchases and redemptions, the Board of Trustees considered the nature of the Funds (*i.e.*, a fund whose shares are expected to trade intra-day), that the Adviser monitors the trading activity of authorized participants for patterns of or abusive trading and that the Funds reserve the right to reject orders that may be disruptive to the management of or otherwise not in the Funds’ best interests.

Given this structure, the Board of Trustees determined that it is unlikely that (a) market timing would be attempted by a Fund’s shareholders or (b) any attempts to market time the Fund by shareholders would result in negative impact to a Fund or its shareholders. However, creations and redemptions of Creation Units consisting of a significant amount of cash could create the potential for market timing with its negative impact to a Fund and its shareholders.

Creation and Redemption of Creation Units

The Trust issues and redeems Shares at NAV only in a large specified number of Shares called a “Creation Unit.” A Creation Unit consists of 100,000 Shares.

Except when aggregated in Creation Units, the Shares are not redeemable securities of the Funds. See “Shareholder Information—Buying and Selling Exchange-Traded Shares” and “—Procedures for Creation of Creation Units.” The prices at which creations and redemptions occur are based on the next calculation of NAV after an order is received in proper form by the Distributor.

Fund Deposits. The consideration for a creation of Creation Units of the Funds consists of cash and/or the in-kind deposit of a portfolio of securities (the “Deposit Securities”) and an amount of cash computed as described below (the “Cash Component”). The Cash Component together with the Deposit Securities, as applicable, are referred to as the “Fund Deposit.” The specified Deposit Securities generally will correspond *pro rata*, to the extent practicable, to the component securities of a Fund. As described below, the Deposit Securities will be made available by the Administrator through the facilities of the NSCC immediately prior to the opening of business each day of NYSE Arca. The Cash Component represents the difference between the NAV of a Creation Unit and the market value of the Deposit Securities and may include an additional payment as described in the Funds’ SAI.

Pursuant to a patent pending process, and subject to the receipt of appropriate regulatory relief, the Funds may in the future divide the daily list of Deposit Securities into different “categories,” based on various risk and return characteristics that may include (but not be limited to): (1) credit rating; (2) sector (e.g., revenue, pre-refunded or insured bonds); (3) issuer (or state of issuer); (4) call date; (5) maturity; and (6) coupon yield. With respect to each category, an Authorized Participant (as defined below) would be required, pursuant to rules established by the Fund, to contribute one bond from each category in-kind as a Deposit Security in a Portfolio Deposit. There is no assurance that such relief will be granted.

Procedures for Creation of Creation Units. To be eligible to place orders with the Distributor to create Creation Units of a Fund, an entity or person either must be (1) a “Participating Party,” *i.e.*, a broker-dealer or other participant through the Continuous Net Settlement System of the NSCC; or (2) a DTC Participant; and, in either case, must have executed an agreement with the Trust and with the Distributor with respect to creations and redemptions of Creation Units (“Participant Agreement”). A Participating Party and DTC Participant are collectively referred to as an “Authorized Participant.” All Creation Units of the Funds, however created, will be entered on the records of DTC in the name of Cede & Co. for the account of a DTC Participant.

At any given time, there may be only a limited number of broker-dealers that have executed a Participant Agreement. Those placing orders to create Creation Units of the Funds should afford sufficient time to permit proper submission of

the order to the Distributor prior to the closing time of the regular trading session on NYSE Area (ordinarily 4:00 p.m. Eastern time) on the date on which a creation order (or redemption order, as discussed below) is placed (the “Transmittal Date”).

Acceptance of Creation Order. The Trust reserves the absolute right to reject a creation order transmitted to it by the Distributor if, for any reason: (a) the order is not in proper form; (b) the creator or creators, upon obtaining the Shares ordered for its own account, would own 80% or more of the currently outstanding Shares of a Fund; (c) the Deposit Securities delivered are not as specified by the Administrator, as described above; (d) the acceptance of the Deposit Securities would have certain adverse tax consequences to a Fund; (e) the acceptance of the Fund Deposit would, in the opinion of counsel, be unlawful; (f) the acceptance of the Fund Deposit would otherwise, in the discretion of the Trust or the Adviser, have an adverse effect on the Trust or the rights of beneficial owners; or (g) in the event that circumstances outside the control of the Trust, the Distributor and the Adviser make it for all practical purposes impossible to process creation orders. Examples of such circumstances include, without limitation, acts of God or public service or utility problems such as earthquakes, fires, floods, extreme weather conditions and power outages resulting in telephone, telecopy and computer failures; wars; civil or military disturbances, including acts of civil or military authority or governmental actions; terrorism; sabotage; epidemics; riots; labor disputes; market conditions or activities causing trading halts; systems failures involving computer or other information systems affecting the Trust, the Adviser, the Distributor, DTC, NSCC or any other participant in the creation process, and similar extraordinary events. The Trust shall notify a prospective creator of its rejection of the order of such person. The Trust and the Distributor are under no duty, however, to give notification of any defects or irregularities in the delivery of Fund Deposits nor shall either of them incur any liability for the failure to give any such notification. The Trust shall notify a prospective creator of its rejection of the order of such person.

All questions as to the number of Shares of each security in the Deposit Securities and the validity, form, eligibility and acceptance for deposit of any securities to be delivered shall be determined by the Trust, and the Trust’s determination shall be final and binding.

Creation Transaction Fee. A fixed Creation Transaction Fee of \$500, which is paid to each Fund, is applicable to each transaction regardless of the number of Creation Units purchased in the transaction. In addition, a variable charge of up to four times the Creation Transaction Fee will be imposed to the extent that cash is used in lieu of securities to purchase Creation Units. In the case of cash creations or where the Trust permits or requires a creator to substitute “cash in

lieu” of depositing a portion of the Deposit Securities, the creator may be assessed an additional variable charge of up to 0.25% of the value of each Creation Unit to compensate the Funds for the costs associated with purchasing the applicable securities. See “Creation and Redemption of Creation Units” in the Funds’ SAI. The price for each Creation Unit will equal the daily NAV per Share times the number of Shares in a Creation Unit plus the fees described above and, if applicable, any transfer taxes. Shares of the Funds may be issued in advance of receipt of all Deposit Securities subject to various conditions, including a requirement to maintain on deposit with the applicable Fund cash at least equal to 115% of the market value of the missing Deposit Securities. See “Creation and Redemption of Creation Units” in the Funds’ SAI.

Redemption of Creation Units. Shares may be redeemed only in Creation Units at their NAV next determined after receipt of a redemption request in proper form by the Distributor, only on a day on which NYSE Arca is open for trading and only through a Participating Party or DTC Participant, who has executed a Participant Agreement. The Trust will not redeem Shares in amounts less than Creation Units. Beneficial owners also may sell Shares in the secondary market, but must accumulate enough Shares to constitute a Creation Unit in order to have such Shares redeemed by the Trust. There can be no assurance, however, that there will be sufficient liquidity in the public trading market at any time to permit assembly of a Creation Unit. Investors should expect to incur brokerage and other costs in connection with assembling a sufficient number of Shares to constitute a redeemable Creation Unit.

The Administrator, through NSCC, makes available immediately prior to the opening of business on NYSE Arca (currently 9:30 a.m. Eastern time) on each day that NYSE Arca is open for business, the securities held by a Fund (“Fund Securities”) that will be applicable (subject to possible amendment or correction) to redemption requests received in proper form (as defined below) on that day. The specified Fund Securities generally will correspond *pro rata*, to the extent practicable, to the component securities of a Fund.

As with respect to the purchase of Creation Units, pursuant to a patent pending process, the Funds may in the future, subject to the receipt of appropriate regulatory relief, divide the daily list of Fund Securities into different “categories,” based on similar criteria set forth hereof in each Fund’s “Principal Investment Objective and Strategies—Indexing Investment Approach” regarding the division of each Fund’s Index into categories. In determining the Fund Securities and the order in which they are listed within each category, the Adviser would seek to construct a redemption basket that will reflect the general characteristics of each Fund’s portfolio. Upon each request for a redemption of Creation Units, the Custodian, acting on behalf of the Adviser, would allocate the first bond on the list from each category (as of the time such redemption request is received by

the Transfer Agent) to such redeemer to receive in-kind. There is no assurance that such relief will be granted.

Fund Securities received on redemption may not be identical to Deposit Securities which are applicable to purchasers of Creation Units. The redemption proceeds for a Creation Unit consist of cash and/or Fund Securities, plus cash in an amount equal to the difference between the NAV of the Shares being redeemed, as next determined after a receipt of a request in proper form, and the value of the Fund Securities, less the Redemption Transaction Fee and variable fees described below. The Funds reserve the right to honor a redemption request by delivering a basket of securities or cash that differs from the Fund Securities.

Each Fund intends to comply with the U.S. federal securities laws in accepting Deposit Securities and satisfying redemptions with Fund Securities, including that the Deposit Securities and the Fund Securities used to satisfy redemption requests will be sold in transactions that would be exempt from registration under the Securities Exchange Act of 1933, as amended (the “1933 Act”). Further, an authorized participant that is not a “qualified institutional buyer,” as such term is defined under Rule 144A of the 1933 Act, will not be able to receive, as part of a redemption, restricted securities eligible for resale under Rule 144A.

Redemption Transaction Fee. The Redemption Transaction Fee of \$500 is deducted from such redemption proceeds. Should the Fund Securities have a value greater than the NAV of Shares being redeemed, a compensating cash payment to the Trust equal to the differential, plus the applicable Redemption Transaction Fee and, if applicable, any transfer taxes will be required to be arranged for by or on behalf of the redeeming shareholder. The basic Redemption Transaction Fee is the same no matter how many Creation Units are being redeemed pursuant to any one redemption request. An additional charge up to four times the Redemption Transaction Fee will be charged for cash redemptions or partial cash redemptions. An additional variable charge of up to 0.25% of the value of each Creation Unit for cash redemptions or partial cash redemptions may also be imposed to compensate the Funds for the costs associated with selling the applicable securities. The Funds may adjust these fees from time to time based upon actual experience. Although a shareholder in the Fund may request a cash redemption in lieu of securities, the Fund may, in its discretion, reject any such request. Investors who use the services of a broker or other such intermediary may be charged a fee for such services. Investors should refer to “Creation and Redemption of Creation Units” in the Funds’ SAI for details regarding the logistics of redemption orders.

Redemptions of Shares for Fund Securities will be subject to compliance with applicable U.S. federal and state securities laws, and the Funds (whether or not they otherwise permit or require cash redemptions) reserve the right to redeem Creation Units for cash to the extent that the Funds could not lawfully deliver specific Deposit Securities upon redemptions or could not do so without first registering the Fund Securities under such laws. Deliveries of Fund Securities to redeeming investors generally will be made within three business days.

The right of redemption may be suspended or the date of payment postponed (1) for any period during which the NYSE is closed (other than customary weekend and holiday closings); (2) for any period during which trading on the NYSE is suspended or restricted; (3) for any period during which an emergency exists as a result of which disposal of the Shares of the Funds or determination of their NAV is not reasonably practicable; or (4) in such other circumstance as is permitted by the SEC.

Investors interested in creating and/or redeeming Creation Units should refer to the more detailed information “Creation and Redemption of Creation Units” in the Funds’ SAI.

Distributions

Net Investment Income and Capital Gains. As a Fund shareholder, you are entitled to your share of the Fund’s distributions of net investment income and net realized capital gains on its investments. The Funds pay out substantially all of their net earnings to their shareholders as “distributions.”

The Funds typically earn income dividends from stocks and interest from debt securities. These amounts, net of expenses, are typically passed along to Fund shareholders as dividends from net investment income. The Funds realize capital gains or losses whenever they sell securities. Net capital gains are distributed to shareholders as “capital gain distributions.”

Net investment income, if any, is typically distributed to shareholders monthly while capital gains, if any, are typically distributed to shareholders at least annually. Dividends may be declared and paid more frequently to improve index tracking or to comply with the distribution requirements of the Internal Revenue Code. In addition, the Funds may determine to distribute at least annually amounts representing the full dividend yield net of expenses on the underlying investment securities, as if the Funds owned the underlying investment securities for the entire dividend period in which case some portion of each distribution may result in a return of capital, which, for tax purposes, is treated as a return on your investment in Shares. You will be notified regarding the portion of the distribution which represents a return of capital.

Distributions in cash may be reinvested automatically in additional Shares of your Fund only if the broker through which you purchased Shares makes such option available.

Tax Matters

As with any investment, you should consider how your Fund investment will be taxed. The tax information in this Prospectus is provided as general information. You should consult your own tax professional about the tax consequences of an investment in the Funds. Unless your investment in a Fund is through a tax-exempt entity or tax-deferred retirement account, such as a 401 (k) plan, you need to be aware of the possible tax consequences when: (i) a Fund makes distributions; (ii) you sell Shares in the secondary market or (iii) you create or redeem Creation Units.

Taxes on Distributions. As noted above, each Fund expects to distribute net investment income at least annually, and any net realized long-term or short-term capital gains annually. Each Fund may also pay a special distribution any time to comply with U.S. federal tax requirements. Dividends paid by the Funds that are properly designated as exempt interest dividends will not be subject to regular U.S. federal income tax. The Funds intend to invest their assets in a manner such that a significant portion of their dividend distributions to shareholders will generally be exempt from U.S. federal income taxes, including the federal alternative minimum tax for noncorporate shareholders. The Market Vectors High-Yield Municipal Index ETF may invest a portion of its assets in certain “private activity bonds,” and as a result, a portion of the exempt-interest dividends paid by it will be an item of tax preference to shareholders subject to the alternative minimum tax. Corporate shareholders should note that income that is generally exempt from the federal alternative minimum tax may in certain situations nonetheless be relevant in determining their federal alternative minimum tax liability, if any. However, the alternative minimum tax consequences discussed in this paragraph do not apply with respect to interest paid on bonds issued after December 31, 2008 and before January 1, 2011 (including refunding bonds issued during that period to refund bonds originally issued after December 31, 2003 and before January 1, 2009). Depending on a shareholder’s state of residence, exempt-interest dividends from interest earned on municipal securities of a state or its political subdivisions may be exempt in the hands of such shareholder from income tax in that state. However, income from municipal securities of states other than the shareholder’s state of residence generally will not qualify for tax-free treatment for such shareholder.

Distributions from a Fund’s net investment income (other than net tax-exempt income), including any net short-term capital gains, if any, are taxable to you as ordinary income. In general, nontax-exempt distributions are subject to U.S.

federal income tax when they are paid, whether you take them in cash or reinvest them in the Fund. Long-term capital gains distributions will result from gains on the sale or exchange of capital assets held by a Fund for more than one year. Any long-term capital gains distributions you receive from a Fund are taxable as long-term capital gains, regardless of how long you have held the Shares. Long-term capital gains of noncorporate shareholders are taxable at a maximum rate of 15%. Absent further legislation, the maximum tax rate on long-term capital gains of noncorporate shareholders will return to 20% for taxable years beginning after December 31, 2010.

Exempt-interest dividends from a Fund are taken into account in determining the taxable portion of any Social Security or railroad retirement benefits that you receive.

Distributions in excess of a Fund's current and accumulated earnings and profits are treated as a tax-free return of capital to the extent of your basis in the Shares, and generally as capital gain thereafter. A distribution will reduce a Fund's NAV per Share and may be taxable to you as ordinary income or capital gain even though, from an economic standpoint, the distribution may constitute a return of capital.

Market Discount. Any market discount recognized on a bond is taxable as ordinary income. A market discount bond is a bond acquired in the secondary market at a price below redemption value or adjusted issue price if issued with original issue discount. Absent an election by a Fund to include the market discount in income as it accrues, gain on a Fund's disposition of such an obligation will be treated as ordinary income rather than capital gain to the extent of the accrued market discount.

If you are not a citizen or resident alien of the United States, each Fund's ordinary income dividends (which include distributions of net short-term capital gains) will generally be subject to a 30% U.S. withholding tax, unless a lower treaty rate applies or unless such income is effectively connected with a U.S. trade or business. However, withholding tax generally will not apply to any income realized by a non-U.S. shareholder in respect of any distributions of exempt-interest dividends.

By law, the Funds must withhold a percentage of your distributions and proceeds if you have not provided a taxpayer identification number or social security number or otherwise establish a basis for exemption from "backup withholding." The backup withholding rate for individuals is currently 28%. This is not an additional tax and may be refunded, or credited against your U.S. federal income tax liability, provided certain required information is furnished to the Internal Revenue Service.

Taxes on the Sale of Exchange-Listed Shares. Currently, any capital gain or loss realized upon a sale of Shares is generally treated as long-term capital gain or loss if the Shares have been held for more than one year and as short-term capital gain or loss if held for one year or less, except that any capital loss on the sale of Shares held for six months or less is treated as long-term capital loss to the extent that capital gain dividends were paid with respect to such Shares.

Taxes on Creations and Redemptions of Creation Units. A person who exchanges equity securities for Creation Units generally will recognize a gain or loss. The gain or loss will be equal to the difference between the market value of the Creation Units at the time of exchange, and the exchangor's aggregate basis in the securities surrendered, taking into consideration the Cash Component paid. A person who exchanges Creation Units for equity securities will generally recognize a gain or loss equal to the difference between the exchangor's basis in the Creation Units and the aggregate market value of the securities received. The Internal Revenue Service, however, may assert that a loss realized upon an exchange of securities for Creation Units cannot be deducted currently under the rules governing "wash sales," or on the basis that there has been no significant change in economic position. Persons exchanging securities should consult their own tax adviser with respect to whether wash sale rules apply and when a loss might be deductible.

Under current U.S. federal income tax laws, any capital gain or loss realized upon a redemption of Creation Units is generally treated as long-term capital gain or loss if the Shares have been held for more than one year and as a short-term capital gain or loss if the Shares have been held for one year or less.

If you create or redeem Creation Units, you will be sent a confirmation statement showing how many Shares you created or sold and at what price.

The foregoing discussion summarizes some of the consequences under current U.S. federal income tax law of an investment in the Funds. It is not a substitute for personal tax advice. Consult your own tax advisor about the potential tax consequences of an investment in the Funds under all applicable tax laws.

LICENSE AGREEMENT

The Adviser has entered into a licensing agreement with Barclays Capital Inc. (the “Licensor”) to use the Barclays Capital Municipal Custom High Yield Composite Index, Barclays Capital AMT-Free Intermediate Continuous Municipal Index, Barclays Capital AMT-Free Long Continuous Municipal Index, Barclays Capital Municipal Pre-Refunded–Treasury-Escrowed Index and Barclays Capital AMT-Free Short Continuous Municipal Index. Each Fund is entitled to use its respective Index pursuant to a sublicensing arrangement with the Adviser.

Barclays Capital and Barclays Capital Inc. are trademarks of the Licensor and have been licensed for use in connection with the listing and trading of the Funds on NYSE Arca. The Funds are not sponsored by, endorsed, sold or promoted by the Licensor and Licensor makes no representation regarding the advisability of investing in them.

The Adviser acknowledges and expressly agrees that the Funds are not sponsored, endorsed, sold or promoted by Licensor, and that Licensor makes no warranty, express or implied, as to the results to be obtained by any person or entity from the use of any Index, any opening, intra-day or closing value therefor, or any data included therein or relating thereto, in connection with the trading of any exchange traded fund or option contract on exchange traded funds based thereon or for any other purpose. Licensor’s only relationship to the Adviser with respect to the Funds is the licensing of certain trademarks and trade names of Licensor and the Indexes that are determined, composed and calculated by Licensor without regard to the Adviser or the Funds. Licensor has no obligation to take the needs of the Adviser or the owners of the Funds into consideration in determining, composing or calculating the Indexes. Licensor is not responsible for and has not participated in any determination or calculation made with respect to issuance of the Funds. Licensor has no obligation or liability in connection with the listing, trading, marketing or administration of the Funds.

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The financial highlights table is intended to help you understand the Funds' financial performance since each Fund's inception. Certain information reflects financial results for a single Fund Share. The total returns in the table represent that rate that an investor would have earned (or lost) on an investment in the Fund (assuming reinvestment of all dividends and distributions). This information has been audited by Ernst & Young LLP, the Funds' independent registered public accounting firm, whose report, along with the Funds' financial statements, are included in the Funds' Annual Report, which is available upon request.

Financial Highlights

For a share outstanding throughout the period:

	High-Yield Municipal Index ETF	Intermediate Municipal Index ETF#	
	For the Period February 4, 2009* through April 30, 2009	For the Year Ended April 30, 2009	For the Period December 4, 2007* through April 30, 2008
Net Asset Value, Beginning of Period	\$ 25.46	\$ 20.63	\$ 20.80
Income from Investment Operations:			
Net Investment Income	0.54	0.76	0.29
Net Realized and Unrealized Gain (Loss) on Investments	0.55	0.10	(0.20)
Total from Investment Operations	1.09	0.86	0.09
Less Dividends from:			
Net Investment Income	(0.33)	(0.72)	(0.26)
Total Dividends	(0.33)	(0.72)	(0.26)
Net Asset Value, End of Period	\$ 26.22	\$ 20.77	\$ 20.63
Total Return(a)	4.32%(c)	4.32%	0.43%(c)
Ratios/Supplementary Data			
Net Assets, End of Period (000's)	\$78,651	\$51,916	\$15,473
Ratio of Gross Expenses to Average Net Assets	0.71%(b)	0.70%	1.60%(b)
Ratio of Net Expenses to Average Net Assets	0.35%(b)	0.20%	0.20%(b)
Ratio of Net Investment Income to Average Net Assets	9.11%(b)	3.97%	3.53%(b)
Portfolio Turnover Rate	0%	11%	0%

(a) Total return is calculated assuming an initial investment of \$10,000 made at the net asset value at the beginning of the period, reinvestment of any dividends at net asset value on the dividend payment date and a redemption on the last day of the period. The return does not reflect the deduction of taxes that a shareholder would pay on Fund dividends or the redemption of Fund shares.

(b) Annualized.

(c) Not annualized.

* Commencement of operations.

On October 24, 2008, each Fund effected a stock split as described in the Notes to the Funds' financial statements. Per share data prior to this date has been adjusted to give effect to the stock split.

Long Municipal Index ETF#		Pre-Refunded Municipal Index ETF	Short Municipal Index ETF#	
For the Year Ended April 30, 2009	For the Period January 2, 2008* through April 30, 2008	For the Period February 2, 2009* through April 30, 2009	For the Year Ended April 30, 2009	For the Period February 22, 2008* through April 30, 2008
<u>\$ 19.31</u>	<u>\$ 20.00</u>	<u>\$ 24.76</u>	<u>\$ 16.47</u>	<u>\$16.53</u>
0.86	0.24	0.06	0.43	0.08
<u>(2.07)</u>	<u>(0.72)</u>	<u>(0.05)</u>	<u>0.46</u>	<u>(0.07)</u>
<u>(1.21)</u>	<u>(0.48)</u>	<u>0.01</u>	<u>0.89</u>	<u>0.01</u>
<u>(0.82)</u>	<u>(0.21)</u>	<u>(0.04)</u>	<u>(0.43)</u>	<u>(0.07)</u>
<u>(0.82)</u>	<u>(0.21)</u>	<u>(0.04)</u>	<u>(0.43)</u>	<u>(0.07)</u>
<u>\$ 17.28</u>	<u>\$ 19.31</u>	<u>\$ 24.73</u>	<u>\$ 16.93</u>	<u>\$16.47</u>
(6.24)%	(2.42%)(c)	0.06%(c)	5.50%	0.07%(c)
\$30,247	\$24,142	\$19,785	\$24,543	\$4,942
0.78%	1.47%(b)	1.26%(b)	1.11%	5.85%(b)
0.24%	0.24%(b)	0.24%(b)	0.16%	0.16%(b)
5.15%	4.48%(b)	1.29%(b)	2.88%	2.70%(b)
44%	0%	0%	20%	55%

MARKET PREMIUM/DISCOUNT INFORMATION

The tables below present information about the differences between the closing price of Shares of each Fund and each Fund's NAV. NAV is the price per share at which each Fund issues and redeems its Shares. It is calculated in the same way that mutual fund shares are valued. The "market price" of each Fund is determined using the closing price of a Share of each Fund. Each Fund's market price may be at, above or below its NAV.

The NAV of each Fund will fluctuate with changes in the market value of its portfolio holdings. The market price of each Fund will fluctuate in accordance with changes in its NAV, as well as market supply and demand. Premiums or discounts are the differences (generally expressed as a percentage) between the NAV and market price of each Fund on a given day, generally at the time NAV is calculated. A premium is the amount that each Fund is trading above the reported NAV, expressed as a percentage of the NAV. A discount is the amount that each Fund is trading below the reported NAV, expressed as a percentage of the NAV.

The following information shows the frequency distributions of premiums and discounts for each Fund. All data presented here represents past performance, which is not indicative of future results.

Market Vectors High-Yield Municipal Index ETF*

Premium/Discount Range	Number of Days	
	1Q09	2Q09
Greater than or Equal to 3.0%	4	7
Greater than or Equal to 2.5% And Less Than 3.0%	3	12
Greater than or Equal to 2.0% And Less Than 2.5%	11	10
Greater than or Equal to 1.5% And Less Than 2.0%	11	16
Greater than or Equal to 1.0% And Less Than 1.5%	8	9
Greater than or Equal to 0.5% And Less Than 1.0%	1	8
Greater than or Equal to 0.0% And Less Than 0.5%	0	1
Greater than or Equal to -0.5% And Less Than 0.0%	0	0
Greater than or Equal to -1.0% And Less Than -0.5%	0	0
Greater than or Equal to -1.5% And Less Than -1.0%	0	0
Greater than or Equal to -2.0% And Less Than -1.5%	0	0
Greater than or Equal to -2.5% And Less Than -2.0%	0	0
Greater than or Equal to -3.0% And Less Than -2.5%	0	0
Less Than -3.0%	0	0
	<hr/>	<hr/>
	38	63

* Commenced operations on February 4, 2009.

Market Vectors Intermediate Municipal Index ETF*

Premium/Discount Range	Number of Days		
	2008	1Q09	2Q09
Greater than or Equal to 3.0%	3	0	0
Greater than or Equal to 2.5% And Less Than 3.0%	3	0	0
Greater than or Equal to 2.0% And Less Than 2.5%	5	0	0
Greater than or Equal to 1.5% And Less Than 2.0%	5	1	0
Greater than or Equal to 1.0% And Less Than 1.5%	16	11	0
Greater than or Equal to 0.5% And Less Than 1.0%	40	25	25
Greater than or Equal to 0.0% And Less Than 0.5%	97	10	33
Greater than or Equal to -0.5% And Less Than 0.0%	55	8	3
Greater than or Equal to -1.0% And Less Than -0.5%	8	3	2
Greater than or Equal to -1.5% And Less Than -1.0%	4	1	0
Greater than or Equal to -2.0% And Less Than -1.5%	5	0	0
Greater than or Equal to -2.5% And Less Than -2.0%	4	1	0
Greater than or Equal to -3.0% And Less Than -2.5%	2	1	0
Less Than -3.0%	6	0	0
	253	61	63

* Commenced operations on December 4, 2007.

Market Vectors Long Municipal Index ETF*

Premium/Discount Range	Number of Days		
	2008	1Q09	2Q09
Greater than or Equal to 3.0%	4	0	0
Greater than or Equal to 2.5% And Less Than 3.0%	3	0	0
Greater than or Equal to 2.0% And Less Than 2.5%	6	0	0
Greater than or Equal to 1.5% And Less Than 2.0%	7	3	0
Greater than or Equal to 1.0% And Less Than 1.5%	11	5	1
Greater than or Equal to 0.5% And Less Than 1.0%	35	9	5
Greater than or Equal to 0.0% And Less Than 0.5%	68	13	16
Greater than or Equal to -0.5% And Less Than 0.0%	54	20	26
Greater than or Equal to -1.0% And Less Than -0.5%	29	6	9
Greater than or Equal to -1.5% And Less Than -1.0%	9	0	3
Greater than or Equal to -2.0% And Less Than -1.5%	8	2	2
Greater than or Equal to -2.5% And Less Than -2.0%	6	3	1
Greater than or Equal to -3.0% And Less Than -2.5%	4	0	0
Less Than -3.0%	6	0	0
	250	61	63

* Commenced operations on January 2, 2008.

MARKET PREMIUM/DISCOUNT INFORMATION (continued)

Market Vectors Pre-Refunded Municipal Index ETF*

Premium/Discount Range	Number of Days	
	1Q09	2Q09
Greater than or Equal to 3.0%	1	0
Greater than or Equal to 2.5% And Less Than 3.0%	0	0
Greater than or Equal to 2.0% And Less Than 2.5%	0	0
Greater than or Equal to 1.5% And Less Than 2.0%	0	1
Greater than or Equal to 1.0% And Less Than 1.5%	0	0
Greater than or Equal to 0.5% And Less Than 1.0%	18	7
Greater than or Equal to 0.0% And Less Than 0.5%	17	40
Greater than or Equal to -0.5% And Less Than 0.0%	4	15
Greater than or Equal to -1.0% And Less Than -0.5%	0	0
Greater than or Equal to -1.5% And Less Than -1.0%	0	0
Greater than or Equal to -2.0% And Less Than -1.5%	0	0
Greater than or Equal to -2.5% And Less Than -2.0%	0	0
Greater than or Equal to -3.0% And Less Than -2.5%	0	0
Less Than -3.0%	0	0
	40	63

* Commenced operations on February 2, 2009.

Market Vectors Short Municipal Index ETF*

Premium/Discount Range	Number of Days		
	2008	1Q09	2Q09
Greater than or Equal to 3.0%	0	0	0
Greater than or Equal to 2.5% And Less Than 3.0%	0	0	0
Greater than or Equal to 2.0% And Less Than 2.5%	0	0	0
Greater than or Equal to 1.5% And Less Than 2.0%	1	1	1
Greater than or Equal to 1.0% And Less Than 1.5%	4	7	7
Greater than or Equal to 0.5% And Less Than 1.0%	15	30	32
Greater than or Equal to 0.0% And Less Than 0.5%	121	11	20
Greater than or Equal to -0.5% And Less Than 0.0%	40	4	3
Greater than or Equal to -1.0% And Less Than -0.5%	20	3	0
Greater than or Equal to -1.5% And Less Than -1.0%	8	3	0
Greater than or Equal to -2.0% And Less Than -1.5%	3	1	0
Greater than or Equal to -2.5% And Less Than -2.0%	0	1	0
Greater than or Equal to -3.0% And Less Than -2.5%	0	0	0
Less Than -3.0%	4	0	0
	216	61	63

* Commenced operations on February 22, 2008.

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TOTAL RETURN INFORMATION

The following table presents information about the total return of each Index in comparison to the total return of the Funds. The information shown for the Funds is for the fiscal year ended April 30, 2009.

“Average annual total returns” represent the average annual change in value of an investment over the period indicated. “Cumulative total returns” represent the total change in value of an investment over the period indicated. Each Fund’s per Share NAV is the value of one Share of the Fund as calculated in accordance with the standard formula for valuing mutual fund shares. The NAV return is based on the NAV of each Fund, and the market return is based on the market price per Share of each Fund. The price used to calculate market return (“Market Price”) is determined using the closing price of a Share of each Fund. Since each Fund’s Shares typically do not trade in the secondary market until several days after the Fund’s inception, for the period from inception to the first day of secondary market trading in Shares, the NAV of the Fund is used as a proxy for secondary market trading price to calculate market returns. Market and NAV returns assume that dividends and capital gain distributions have been reinvested in a Fund at Market Price and NAV, respectively. An index is a statistical composite that tracks a specified financial market or sector. Unlike the Funds, an index does not actually hold a portfolio of securities and therefore does not incur the expenses incurred by the Funds. These expenses negatively impact the performance of each Fund. Also, market returns do not include brokerage commissions that may be payable on secondary market transactions. If brokerage commissions were included, market returns would be lower. The returns shown in the table below do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption or sale of Shares. The investment return and principal value of Shares will vary with changes in market conditions. Shares may be worth more or less than their original cost when they are redeemed or sold in the market. All data presented here represents past performance, which is not indicative of future results.

	One Year Returns Since April 30, 2009	Average Annual Total Returns Since Inception Through April 30, 2009	Cumulative Total Returns Since Inception through April 30, 2009
Market Vectors High-Yield Municipal Index ETF (at NAV)	-	-	4.32%
Market Vectors High-Yield Municipal Index ETF (at Market)	-	-	5.35%
Barclays Capital Municipal Custom High Yield Composite Index	-	-	3.04%
Market Vectors Intermediate Municipal Index ETF (at NAV)	4.32%	3.37%	4.77%
Market Vectors Intermediate Municipal Index ETF (at Market)	4.45%	3.67%	5.19%
Barclays Capital AMT-Free Intermediate Continuous Municipal Index	5.81%	4.72%	6.70%
Market Vectors Long Municipal Index ETF (at NAV)	-5.63%	-6.45%	-8.46%
Market Vectors Long Municipal Index ETF (at Market)	-6.24%	-6.48%	-8.50%
Barclays Capital AMT-Free Long Continuous Municipal Index	-2.57%	-2.99%	-3.95%
Market Vectors Pre-Refunded Municipal Index ETF (at NAV)	-	-	0.06%
Market Vectors Pre-Refunded Municipal Index ETF (at Market)	-	-	0.42%
Barclays Capital Municipal Pre-Refunded -Treasury-Escrowed Index	-	-	0.30%
Market Vectors Short Municipal Index ETF (at NAV)	5.50%	4.67%	5.56%
Market Vectors Short Municipal Index ETF (at Market)	6.18%	5.18%	6.17%
Barclays Capital AMT-Free Short Continuous Municipal Index	6.21%	5.38%	6.42%

GENERAL INFORMATION

The Trust was organized as a Delaware statutory trust on March 15, 2001. Its Declaration of Trust currently permits the Trust to issue an unlimited number of Shares of beneficial interest. If shareholders are required to vote on any matters, each Share outstanding would be entitled to one vote. Annual meetings of shareholders will not be held except as required by the 1940 Act and other applicable law. See the Funds' SAI for more information concerning the Trust's form of organization. Section 12(d)(1) of the 1940 Act restricts investments by investment companies in the securities of other investment companies, including Shares of the Funds. Registered investment companies are permitted to invest in the Funds beyond the limits set forth in Section 12(d)(1) subject to certain terms and conditions set forth in an SEC exemptive order issued to the Trust, including that such investment companies enter into an agreement with a Fund.

Clifford Chance US LLP serves as counsel to the Trust, including the Funds. Ernst & Young LLP serves as the Trust's independent registered public accounting firm and audits the Funds' financial statements annually.

Additional Information

This Prospectus does not contain all the information included in the Registration Statement filed with the SEC with respect to the Funds' Shares. Information about the Funds can be reviewed and copied at the SEC's Public Reference Room and information on the operation of the Public Reference Room may be obtained by calling the SEC at 1.202.942.8090. The Funds' Registration Statement, including this Prospectus, the Funds' SAI and the exhibits may be examined at the offices of the SEC (100 F Street, NE, Washington, DC 20549) or on the Edgar database at the SEC's website (<http://www.sec.gov>), and copies may be obtained, after paying a duplicating fee, by electronic request at the following email address: publicinfo@sec.gov, or by writing the SEC's Public Reference Section, Washington, DC 20549-0102. These documents and other information concerning the Trust also may be inspected at the offices of NYSE Arca (20 Broad Street, New York, New York 10005).

The SAI for the Funds, which has been filed with the SEC, provides more information about the Funds. The SAI for the Funds is incorporated herein by reference and is legally part of this Prospectus. It may be obtained without charge by writing to the Funds at Van Eck Securities Corporation, each Fund's distributor, at 335 Madison Avenue, New York, NY 10017 or by calling the distributor at the following number: Investor Information: 1.888.MKT.VCTR (658-8287).

Shareholder inquiries may be directed to a Fund in writing to 335 Madison Avenue, 19th Floor, New York, New York 10017 or by calling 1.888.MKT.VCTR (658-8287).

The Funds' SAI will be available through their website at www.vaneck.com/etf.

For more detailed information about the Funds, see the SAI for the Funds dated September 1, 2009, which is incorporated by reference into this Prospectus. Additional information about each Fund's investments is available in each Fund's annual and semi-annual reports to shareholders. In each Fund's annual report you will find a discussion of the market conditions and investment strategies that significantly affected the Fund's performance during its last fiscal year.

Call Van Eck at **1.888.MKT.VCTR** to request, free of charge, the annual or semi-annual reports, the SAI, or other information about the Funds or to make shareholder inquiries. You may also obtain the SAI or the Funds' annual or semi-annual reports by visiting the Van Eck website at www.vaneck.com/etf.

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Information about the Funds (including the SAI) can also be reviewed and copied at the SEC Public Reference Room in Washington, D.C. Information about the operation of the Public Reference Room may be obtained by calling 1.202.942.8090.

Reports and other information about the Funds are available on the EDGAR Database on the SEC's internet site at <http://www.sec.gov>. In addition, copies of this information may be obtained, after paying a duplicating fee, by electronic request at the following email address: publicinfo@sec.gov, or by writing the SEC's Public Reference Section, Washington, DC 20549-0102.

Transfer Agent: The Bank of New York Mellon

SEC Registration Number: 333-123257

1940 Act Registration Number: 811-10325

