MARKET VECTORS® ETFs

Investment Case for

Mortgage Real Estate Investment Trusts (REITs)

Van Eck® Global

SINCE 1955

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Investments in mortgage real estate investment trusts (REITs) are exposed to the risks specific to the real estate market as well as the risks that relate specifically to the way in which mortgage REITs are organized and operated which include, among others, credit risk, interest rate risk, leverage risk, prepayment risk and U.S. federal tax requirements. Investors should be willing to accept a high degree of volatility and the potential of significant loss.

Please note that Van Eck Securities Corporation offers the Market Vectors Mortgage REIT Income ETF (the "Fund") that invests in the asset class included in this report. This material must be accompanied or preceded by a prospectus. An investor should consider the Fund's investment objective, risks, and charges and expenses carefully before investing. The prospectus and summary prospectus contains this and other information. Please read it carefully before investing.

Fund shares are not individually redeemable and will be issued and redeemed at their NAV only through certain authorized broker-dealers in large, specified blocks of shares called "creation units" and otherwise can be bought and sold only through exchange trading. Creation units are issued and redeemed principally in kind. Shares may trade at a premium or discount to their NAV in the secondary market.

Investing involves substantial risk and high volatility, including possible loss of principal. An investor should consider the investment objective, risks, charges and expenses of the investment company carefully before investing. To obtain a prospectus or summary prospectus, which contains this and other information, call 888.MKT.VCTR or visit vaneck.com/mort. Please read the prospectus or summary prospectus carefully before investing.

What are REITs?

Real estate investment trusts (REITs) are companies that finance, own and/or operate real estate properties. Federal legislation, developed in 1960, allowed for the creation of REITs with the goal of providing all investors access to the real estate market—once limited to large institutions.

Types of REITs		
Equity REIT Own and operate real estate properties	**Hybrid REIT** Combination of equity REIT and mortgage REIT activities	**Mortgage REIT** Provide real estate financing by issuing mortgages or acquiring loans and mortgage-backed securities

Qualifications

In order to qualify as a REIT, a company must:

- comprise at least 75% of total assets in real estate
- derive at least 75% of gross income from real property sources (i.e. rental and property sales) or interest from mortgages on real property
- distribute annually at least 90% of ordinary taxable income to shareholders in the form of dividends

Source: Mortgage REIT Primer June 2011, Keefe, Bruyette & Woods

How do Mortgage REITs Work?

Business Model

Mortgage REITs raise capital and use that capital to purchase mortgage securities. At least 90% of the income generated by mortgage REITs is then paid to shareholders.

Increasing Yield Potential with Leverage[1]

▶ **Raise Capital**

Unlike banks, mortgage REITs do not have the ability to raise deposits. Instead, mortgage REITs raise capital in the secondary market, primarily through the use of short-term repurchase agreements and collateralized debt obligations.

▶ **Purchase Assets**

Mortgage REITs then purchase longer-term, higher yielding mortgage-related assets, primarily mortgage backed securities.

▶ **Income Payout**

REITs are required to pay at least 90% of ordinary taxable income to shareholders in the form of dividends.

Leverage Comes with Risk	
Interest Rate Risk[1] Due to their reliance on leverage, mortgage REIT margins are highly sensitive to changes in short-term rates. Rate hikes increase borrowing costs and compress margins.	**Prepayment Risk**[1] Prepayment on mortgages can also compress margins. As interest rates decline, prepayments tend to increase. In normal market conditions, those prepayments must then be reinvested by the REIT at lower rate levels.

Sources: Mortgage REIT Primer June 2011, Keefe, Bruyette & Woods, National Association of Real Estate Investment Trusts®

[1]See investment risks on page 11.

Mortgage REIT Investment Styles

Mortgage REITs typically invest in residential mortgage-backed securities, commercial mortgage-backed securities or a combination of the two.

▶ Residential Mortgage-Backed Securities

Residential mortgage–backed securities provide access to mortgages related to housing, such as single family homes, condominiums and rental buildings. There are two types of residential mortgage-backed securities:

▶ Agency

Agency residential mortgage-backed securities are backed by government-sponsored entities such as Fannie Mae, Freddie Mac and Ginnie Mae. The government backing of these securities is perceived as minimizing default risk and support higher leverage levels. Leverage may allow mortgage REITs to increase yield produced on these securities, but raises sensitivity to interest rate changes.

▶ Non-Agency

Non-Agency mortgage-backed securities possess no government backing and generally provide higher yields to offset the associated default risk. Mortgage REITs with non-agency exposure tend to employ less leverage and are less sensitive to interest rate changes than their agency-only counterparts.

▶ Commercial Mortgage-Backed Securities

Commercial mortgage-backed securities provide access to mortgages related to office buildings, business complexes, retail shopping centers and many other properties associated with business operations.

Source: Mortgage REIT Primer June 2011, Keefe, Bruyette & Woods

Mortgage REITs Sensitive to Spreads

Many mortgage REITs rely heavily on the spread between borrowing costs and investment yield. In general, wider spreads result in greater operating margins for mortgage REITs which can then be passed on to investors. Narrow spreads will generally compress margins and negatively affect mortgage REITs.

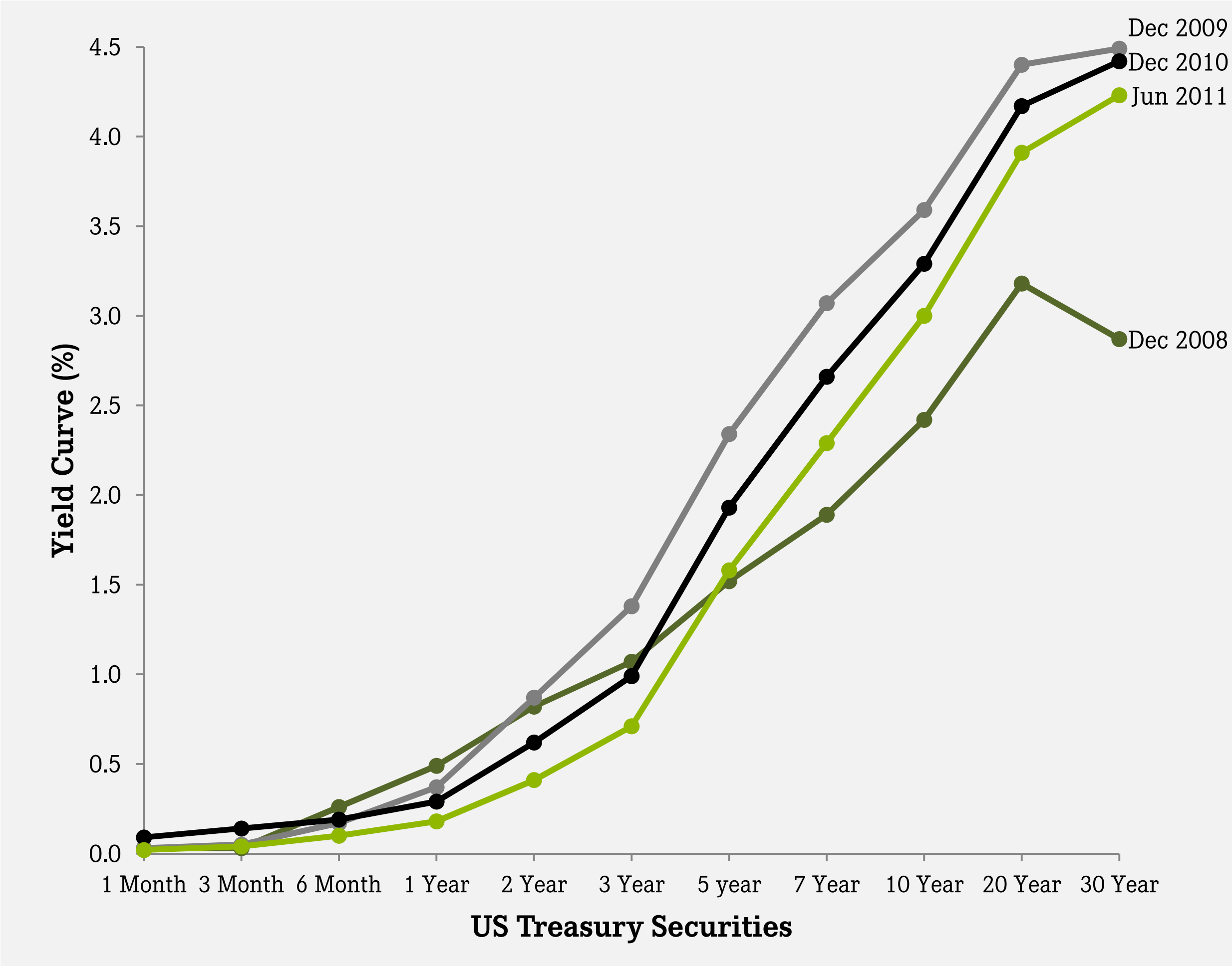
Hypothetical Example

A mortgage REIT borrows at a hypothetical rate of 0.5% and uses those funds to invest in longer-term mortgage-backed securities yielding 3.0%. This scenario would provide a hypothetical spread of 2.5%. Mortgage REITs can then use those mortgage-backed securities as collateral to borrow additional funds at short-term rates and invest in additional longer-term mortgage-backed securities—compounding the spread. This leverage process is how mortgage REITs have historically provided attractive yields.

Conversely, if the borrowing rate were to increase or rate-of-return on mortgage-backed securities were to decrease, the spread would compress and reduce the yield potential of the mortgage REIT.

Leverage created from borrowing may impair the mortgage REIT's liquidity, cause it to liquidate positions at an unfavorable time and increase volatility. In particular, the use of leverage can magnify losses.

Possible Beneficial Interest Rate Environment



Current Favorable Situation…

A steep yield curve has existed since 2008 which has allowed mortgage REITs to benefit from differences between short- and long-term interest rates

But Not Without Risk

Various factors could adversely affect mortgage REITs. Among them:

- Uncertainty surrounding U.S. credit rating downgrade
- Sharp economic recovery resulting in Fed tightening
- Decline in long-term rates

Source: Federal Reserve, US Treasury

This chart is for illustrative purposes only and does not represent the performance of the Fund. Current market conditions may not continue. **Past performance is no guarantee of future results.** All indices are unmanaged and are not securities in which investments can be made. See Index Descriptions in the Appendix.

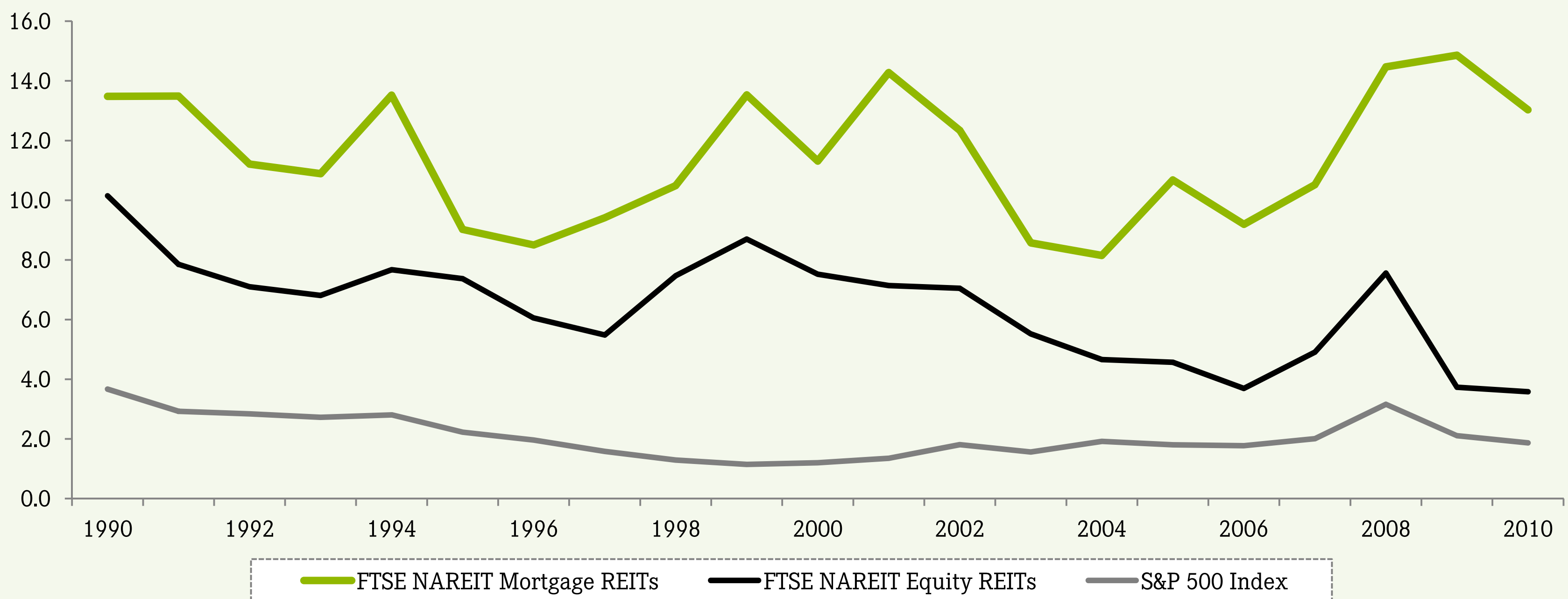
Appeal of Mortgage REITs

Unlike equity REITs, mortgage REITs do not own and operate property. In contrast, mortgage REITs generate income by issuing or obtaining mortgages and mortgage-backed securities. Mortgage REITs have historically provided higher yields than equity REITs and the broad U.S. stock market.

The chart below illustrates the difference in yield between Mortgage REITs, Equity REITs (as represented by FTSE NAREIT Indexes) and the S&P 500 Index. This chart below is for illustrative purposes only and does not represent the performance or yield of the Fund or the underlying index. The Fund and Market Vectors Global Mortgage REITs Global Index, the Fund's underlying index, have a limited history. The Fund commenced operations on 8/16/2011 and its index was first published on 8/4/2011.

Mortgage REITs Have Offered Attractive Yield

(annual yield 1990 - 2010)



Source: NAREIT, Bloomberg

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Industry in Transition

More than 90% of all new U.S. residential mortgage originations are purchased, guaranteed or insured by the federal government as of March 2011[1]. As the credit crisis has illustrated, taxpayers have borne the burden of widespread defaults and foreclosures.

The current administration has expressed its intention to reduce its role in mortgage finance by winding down government-sponsored entities (GSEs) Fannie Mae and Freddy Mac as follows[1]:

- Increase fees associated with Fannie Mae and Freddie Mac
- Reduce maximum loan size that qualifies for Fannie and Freddie backing
- Increase borrowers' minimum required down payment
- Reduce GSE investment portfolios by 10% annually

The administration's intent is to "*pave the way for a robust private mortgage market*[1]," creating opportunities for mortgage REITs.

Banks Facing New Hurdles in Private Mortgage Market

Banks face several hurdles in the private mortgage market that may potentially put them at a competitive disadvantage[2]:

1. Capital requirements have increased under Basel II and Basel III accords
2. Loan loss reserve requirements against mortgage assets act as additional capital requirements
3. Must comply with burdensome FDIC rules when transferring assets into securitization vehicles which place banks at a disadvantage to non-banks

Result: Multi-national banks may overlook domestic mortgage finance opportunities in favor of more profitable and less regulated mortgage finance opportunities abroad

[1]Source: Morrison Forrester, *The Obama Administration's Housing Finance Reform Proposal: Opportunity for the Private Markets*
[2]Source: Morrison Forrester, *Mortgage REITs Poised to Benefit from Role in Emerging Housing Finance Reform*

Summary

Mortgage REITs may be particularly attractive to investors seeking income and can provide diversified exposure to the real estate financing market. Mortgage REITs offer:

Potential for High Dividend Yield

- Historically higher yields than many other investments
- Ability to use leverage to enhance yield

Potential to Benefit from Current Interest Rate Environment

- Mortgage REITs tend to gain value when wide interest spreads exist
- Yield curve has been steep for several years

Potential to Position for Ongoing Mortgage Finance Reform

- The U.S. government continues to reduce its exposure to the mortgage finance market
- Opportunity for mortgage REITs in growing private mortgage finance market

Investment Risks

Real Estate Market Risk

Adverse economic, business or political developments affecting real estate could have a major effect on the value of the Fund's investments. The Fund's assets are concentrated in the real estate sector which can negatively impact the Fund to a greater extent than if the Fund's assets were invested in a wider variety of sectors or industries.

Interest Rate Risk

Mortgage REITs are subject to significant interest rate risk. Interest rate risk refers to fluctuations in the value of a mortgage REIT's investment in fixed rate obligations resulting from changes in the general level of interest rates. When the general level of interest rates goes up, the value of a mortgage REIT's investment in fixed rate obligations goes down. When the general level of interest rates goes down, the value of a mortgage REIT's investment in fixed rate obligations goes up.

Leverage Risk

A mortgage REIT typically utilizes leverage to a significant degree to implement its investment strategy, which exposes it to leverage risk. Leverage risk refers to the risk that leverage created from borrowing may impair the mortgage REIT's liquidity, cause it to liquidate positions at an unfavorable time and increase volatility. The use of leverage can magnify losses.

Prepayment Risk

When borrowers prepay their mortgage loans at rates that are faster than expected, this results in prepayments that are faster than expected on the loan. Prepayment rates generally increase when interest rates fall and decrease when interest rates rise. These faster than expected payments may adversely affect a mortgage REIT's profitability.

Credit Risk

Mortgage REITs receive interest payments from the owners of the mortgaged properties. Accordingly, mortgage REITs are subject to the credit risk of the borrowers to whom they extend credit. Credit risk refers to the possibility that the borrower will be unable and/or unwilling to make timely interest payments and/or repay the principal on the loan to the mortgage REIT when they are due. The risk of defaults is generally higher in the case of mortgage pools that include subprime mortgages.

Index Descriptions

These indices do not reflect the performance of a fund. All indices listed are unmanaged and include the reinvestment of all dividends, but do not reflect the payment of transaction costs, advisory fees or expenses that are associated with an investment in a fund. An index's performance is not illustrative of a fund's performance. Indices are not securities in which investments can be made.

FTSE NAREIT Mortgage REITs Index is a free float adjusted market capitalization weighted index that includes all tax qualified real estate investment trusts that own mortgage assets.

FTSE NAREIT Equity REITs Index is a broad-based, free float adjusted market capitalization weighted index consisting of equity real estate investment trusts.

Standard and Poor's (S&P) 500 Index consists of 500 widely held common stocks covering industrial, utility, financial and transportation sectors.

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