

## PROSPECTUS

JANUARY 15, 2009

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Market Vectors Indonesia Index ETF (the "Fund") is distributed by Van Eck Securities Corporation and seeks to track the Market Vectors Indonesia Index. The Market Vectors Indonesia Index is published by 4asset-management GmbH (referred to herein as the "Index Provider"). The Index Provider does not sponsor, endorse, or promote the Fund and bears no liability with respect to the Fund or any security. For more detailed information about the Fund, see the Statement of Additional Information for the Fund ("SAI"), which is incorporated by reference into this Prospectus. Additional information about the Fund's investments will be available in the Fund's annual and semi-annual reports to shareholders. In the Fund's annual report, when available, 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](tel:1888.MKT.VCTR) to request, free of charge, the annual or semi-annual reports, the SAI, or other information about the Fund or to make shareholder inquiries. You may also obtain the SAI or the Fund's annual or semi-annual reports, when available, by visiting the Van Eck website at [www.vaneck.com/etf](http://www.vaneck.com/etf). Information about the Fund (including the SAI) can also be reviewed and copied at the Securities and Exchange Commission ("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 Fund 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](mailto:publicinfo@sec.gov), or by writing the SEC's Public Reference Section, Washington, DC 20549-0102.



## Indonesia Index ETF



Transfer Agent:  
The Bank of New York  
SEC Registration Number:  
333-123257  
The Trust's registration  
number under the 1940 Act:  
811-10325

# MARKET VECTORS ETF TRUST

The 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.

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 the Fund's shares, and, if given or made, the information or representations must not be relied upon as having been authorized by the Fund. Neither the delivery of this Prospectus nor any sale of shares of the 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 the 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.

This Prospectus offers shares of Market Vectors ETF Trust (the "Trust"). The Trust currently has 27 investment portfolios. This Prospectus relates to shares of only one portfolio: Market Vectors Indonesia Index ETF.

The information contained herein regarding the Market Vectors Indonesia Index (the "Indonesia Index" or the "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 January 15, 2009, explains concisely the information you ought to know before investing in the Fund. We suggest that you keep it for future reference.

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## Overview of the Trust

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 27 investment portfolios. This Prospectus relates to the following portfolio of the Trust: Market Vectors Indonesia Index ETF (the “Fund”). Van Eck Associates Corporation (the “Adviser”) is the investment adviser to the Fund.

The shares of the Market Vectors Indonesia Index ETF are expected to be approved for listing, subject to notice of issuance, on the NYSE Arca, Inc. (the “NYSE Arca” or the “Exchange”), and will 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 will issue and redeem shares of the Fund (the “Shares”) on a continuous basis at NAV only in large specified blocks each called a Creation Unit. Creation Units are expected to be issued and redeemed principally in-kind for securities generally included in the Fund’s Index. Except when aggregated in Creation Units, Shares are not redeemable securities of the Trust.

The Fund may be suitable for long term investment in the market or market segment represented by the Index. Shares of the Fund 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-kind in Creation Units at each day’s market close. These arrangements are designed to protect ongoing shareholders from adverse effects on the Fund’s portfolio that could arise from frequent cash purchase and redemption transactions that affect the NAV of the Fund. Moreover, in contrast to conventional mutual funds where frequent redemptions can have an adverse tax impact on taxable shareholders because of the need to sell portfolio securities which, in turn, may generate taxable gain, the in-kind redemption mechanism of the Fund, to the extent used, generally is not expected to lead to a tax event for shareholders.

# Market Vectors Indonesia Index ETF

## 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 Market Vectors Indonesia Index (the “Indonesia Index” or the “Index”). For a further description of the Market Vectors Indonesia Index, see “Market Vectors Indonesia Index.”

**Principal Investment Policy.** The Fund will normally invest at least 80% of its total assets in securities that comprise the Fund’s benchmark index. This 80% investment policy is non-fundamental and requires 60 days’ prior written notice to shareholders before it can be changed.

**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 Indonesia Index by investing in a portfolio of securities that generally replicates the Indonesia Index.

The Adviser anticipates that, generally, the Fund will hold all of the securities that comprise the Indonesia Index in proportion to their weightings in the Indonesia Index. However, under various circumstances, it may not be possible or practicable to purchase all of those securities in these weightings. In these circumstances, the Fund may purchase a sample of securities in the Indonesia Index. There also may be instances in which the Adviser may choose to overweight a security in the Indonesia Index, purchase securities not in the Indonesia Index that the Adviser believes are appropriate to substitute for certain securities in the Indonesia Index or utilize various combinations of other available investment techniques in seeking to replicate as closely as possible, before fees and expenses, the price and yield performance of the Indonesia Index. The Fund may sell securities that are represented in the Indonesia Index in anticipation of their removal from the Indonesia Index or purchase securities not represented in the Indonesia Index in anticipation of their addition to the Indonesia Index. The Adviser expects that, over time, the correlation between the Fund’s performance and that of the Indonesia Index before fees and expenses will be 95% or better. A figure of 100% would indicate perfect correlation.

The Fund may also utilize derivative instruments, such as swaps, options, warrants, futures contracts, currency forwards (and convertible securities and structured notes), and participation notes to seek performance that corresponds to the Indonesia Index. For these purposes, depositary receipts, derivative instruments and participation notes will count towards the 80% investment policy. 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.

Because of the passive investment management approach of the Fund, the portfolio turnover rate is expected to be under 30%, generally a lower turnover rate than for many other investment companies. Sales as a result of Indonesia 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.”

**Market Capitalization.** The Indonesia Index is comprised of companies with market capitalizations of greater than \$150 million. Stocks whose market capitalization falls below \$100 million as of any rebalancing date will no longer be eligible for the Indonesia Index. Stocks must have a three-month average daily trading volume of at least \$1 million and issuers of such stocks must have traded at least 250,000 shares each month over the last six months. The total market capitalization of the Indonesia Index as of December 31, 2008 was in excess of \$72 billion.

**Borrowing Money.** The Fund may borrow money from a bank up to a limit of one-third of the market value of its assets, but only for temporary or emergency purposes. To the extent that the Fund borrows money, it may be leveraged; at such times, the Fund may appreciate or depreciate in value more rapidly than its benchmark, the Indonesia Index.

**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 SAI under the heading "Investment Policies and Restrictions—Investment Restrictions."

## PRINCIPAL RISKS OF INVESTING IN THE FUND

Investors in the Fund should be willing to accept a high degree of volatility in the price of the Fund's Shares and the possibility of significant losses. An investment in the Fund involves a substantial degree of risk. Therefore, you should consider carefully the following risks before investing in the Fund.

**Risk of Investing in Foreign Securities.** Investments in the securities of non-U.S. issuers involve risks beyond those associated with investments in U.S. securities. These additional risks include greater market volatility, the availability of less reliable financial information, higher transactional and custody costs, taxation by foreign governments, decreased market liquidity and political instability. Foreign issuers are often subject to less stringent requirements regarding accounting, auditing, financial reporting and record keeping than are U.S. issuers, and therefore, not all material information will be available. Securities exchanges or foreign governments may adopt rules or regulations that may negatively impact the Fund's ability to invest in foreign securities or may prevent the Fund from repatriating its investments. In addition, the Fund may not receive shareholder communications or be permitted to vote the securities that it holds, as the issuers may be under no legal obligation to distribute them.

Because the Fund may invest in securities denominated in foreign currencies and much of the income received by the Fund will be in foreign currencies, changes in currency exchange rates may negatively impact the Fund's returns. The values of the currencies of the countries in which the Fund may invest may be subject to a high degree of fluctuation due to changes in interest rates, the effects of monetary policies issued by the United States, foreign governments, central banks or supranational entities, the imposition of currency controls or other national or global political or economic developments. Therefore, the Fund's exposure to foreign currencies may result in reduced returns to the Fund. The Fund does not expect to hedge its currency risk. Moreover, the Fund may incur costs in connection with conversions between U.S. dollars and foreign currencies. The Fund may, but is not obligated to, invest in derivative instruments to lock in certain currency exchange rates from time to time.

**Special Risk Considerations of Investing in Indonesian Issuers.** Investment in securities of Indonesian issuers involves risks not typically associated with investments in securities of issuers in developed countries. Such heightened risks include, among others, expropriation and/or nationalization of assets, confiscatory taxation, political instability, including authoritarian and/or military involvement in governmental

decision-making, armed conflict and social instability as a result of religious, ethnic and/or socioeconomic unrest.

The Fund's investments require special consideration not normally associated with investments in securities of companies operating in more developed markets. The securities market of Indonesia is considered an emerging market characterized by a small number of listed companies, high price volatility and a relatively illiquid secondary trading market. These factors, coupled with restrictions on foreign investment and other factors, limit the supply of securities available for investment by the Fund. This will affect the rate at which the Fund is able to invest in Indonesia, the purchase and sale prices for such securities and the timing of purchases and sales. Certain restrictions on foreign investment may decrease the liquidity of the Fund's portfolio or inhibit the Fund's ability to track its Index.

Indonesia's political institutions and democracy have a relatively short history, increasing the risk of political instability. Indonesia has in the past faced political and militant unrest within several of its regions, and further unrest could present a risk to the local economy and securities markets. Indonesia has also experienced acts of terrorism, predominantly targeted at foreigners, which has had a negative impact on tourism and consequently has negatively impacted the economy of Indonesia. Corruption and the perceived lack of a rule of law in dealings with international companies may discourage foreign direct investment and could negatively impact the long-term growth of the economy of Indonesia. In addition, many economic development problems remain, including high unemployment, a fragile banking sector, endemic corruption, inadequate infrastructure, a poor investment climate, and unequal resource distribution among regions.

**Political Risk.** The Indonesian government may exercise substantial influence over many aspects of the private sector and may own or control many companies. Future government actions could have a significant effect on the economic conditions in Indonesia, which could have a negative impact on private sector companies. There is also the possibility of diplomatic developments that could adversely affect investments in Indonesia.

**Market Risk.** The prices of the securities in the Fund are subject to the risk associated with investing in the stock 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 Indonesia Index for a number of reasons. For example, the Fund incurs a number of operating expenses not applicable to the Indonesia 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 Indonesia 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 Indonesia Index, the Fund's return may deviate significantly from the return of the Indonesia 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. In addition, the Fund may not be able to invest in certain securities included in the Indonesia Index due to restrictions or limitations imposed by certain countries and stock exchanges in which such securities trade or may be delayed in purchasing or selling securities included in the Indonesia Index. The Fund is expected to fair value the foreign securities it holds. See "Shareholder Information—Determination of NAV." To the extent the Fund calculates its NAV based on fair value prices and the value of the Indonesia Index is based on the securities' closing price on local foreign markets (*i.e.*, the value of the Indonesia Index is not based on fair value prices), the Fund's ability to track the Indonesia Index may be adversely affected. 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 Indonesia Index. In addition, if the Fund utilizes depository

receipts and/or futures, swaps, warrants or other derivative instruments, its return may not correlate as well with the Indonesia Index as would be the case if the Fund purchased all the securities in the Indonesia Index directly.

**Replication Management Risk.** Unlike many investment companies, the Fund is not actively “managed.” Therefore, unless a specific security is removed from the Indonesia 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 Indonesia 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 equity 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 Shares will decline, more or less, in correspondence with any decline in value of the Indonesia Index. The Indonesia 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 Indonesia 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.

**Non-Diversified Risk.** 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 industry within the industries that comprise the Indonesia Index. As of December 31, 2008, the Indonesia Index included 25 securities. 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.

**Investing in Small- or Medium-Capitalization Companies.** The Fund may invest in small- or medium-capitalization companies (i.e., companies with market capitalizations ranging from approximately over \$200 million to \$1 billion and over \$1 billion to \$5 billion, respectively). If it does so, it may be subject to certain risks associated with small- or medium-capitalization companies. These companies are often subject to less analyst coverage and may be in early and less predictable periods of their corporate existences. In addition, these companies often have greater price volatility, lower trading volume and less liquidity than larger more established companies. These companies tend to have smaller revenues, narrower product lines, less management depth and experience, smaller shares of their product or service markets, fewer financial resources and less competitive strength than larger companies. As of December 31, 2008, approximately 3% of the weight of the Index was comprised of small-capitalization companies and 53% of the weight of the Index was comprised of medium-capitalization companies.

**Investing in Micro-Capitalization Companies.** The Fund may invest in micro-capitalization companies (i.e., companies with market capitalizations ranging from approximately \$50 million to \$200 million). These companies are subject to substantially greater risks of loss and price fluctuations because their earnings and revenues tend to be less predictable (and some companies may be experiencing significant losses), and their share prices tend to be more volatile and their markets less liquid than companies with larger market capitalizations. Micro-capitalization companies may be newly formed or in the early stages of development, with limited product lines, markets or financial resources and may lack management depth. In addition, there

may be less public information available about these companies. The shares of micro-capitalization companies tend to trade less frequently than those of larger, more established companies, which can adversely affect the pricing of these securities and the future ability to sell these securities. Also, it may take a long time before the Fund realizes a gain, if any, on an investment in a micro-capitalization company.

**Concentration Risk.** The Fund's assets will generally be concentrated in a particular sector or sectors or industry or group of industries to the same extent that the Indonesia Index concentrates in a particular sector or sectors or industry or group of industries. The securities of many or all of the companies in the same sector or industry may decline in value due to developments adversely affecting such sector or industry. In addition, the Fund's assets will be concentrated in Indonesia. Consequently, events affecting Indonesia will have a greater impact on the Fund's NAV and may make the Fund more volatile than if the Fund were more geographically diverse.

**Risk of Investing in Depository Receipts.** The Fund may invest in depository receipts, including unsponsored depository receipts. Unsponsored depository receipts may be established by a depository without participation by the underlying issuer. Holders of an unsponsored depository receipt generally bear all the costs associated with establishing the unsponsored depository receipt. The issuers of the securities underlying unsponsored depository receipts are not obligated to disclose material information in the United States and, therefore, there may be less information available regarding such issuers and there may not be a correlation between such information and the market value of the depository receipts. In addition, the Fund's investments may also include depository receipts that are not purchased in the public markets and are restricted securities that can be offered and sold only to certain buyers. The Adviser will determine the liquidity of such investments pursuant to guidelines established by the Trust's Board of Trustees. It is possible that depository receipts purchased by the Fund could have the effect of increasing the level of the Fund's illiquidity.

**Operational Risks.** In addition to having a less developed securities market, Indonesia has less developed custody and settlement practices than certain developed countries. Rules adopted under the 1940 Act permit the Fund to maintain its foreign securities and cash in the custody of certain eligible non-U.S. banks and securities depositories. Banks in Indonesia that are eligible foreign sub-custodians may be recently organized or otherwise lack extensive operating experience. In addition, in Indonesia there may be legal restrictions or limitations on the ability of the Fund to recover assets held in custody by a foreign sub-custodian in the event of the bankruptcy of the sub-custodian. Because settlement systems in Indonesia are less organized than in developed markets, there may be a risk that settlement may be delayed and that cash or securities of the Fund may be in jeopardy because of failures of or defects in the systems. Under the laws of Indonesia, the Fund may be required to release local shares before receiving cash payment or may be required to make cash payment prior to receiving local shares, creating a risk that the Fund may surrender cash or securities without ever receiving securities or cash from the other party. Settlement systems in Indonesia also have a higher risk of failed trades.

**Risk of Investing in Derivatives.** Derivatives are financial instruments, such as swaps, options, warrants, futures contracts and currency forwards, whose values are based on the value of one or more indicators, such as a security, asset, currency, interest rate, or index. The Fund's use of derivatives involves risks different from, and possibly greater than, the risks associated with investing directly in securities and other more traditional investments. Moreover, although the value of a derivative is based on an underlying indicator, a derivative does not carry the same rights as would be the case if the Fund invested directly in the underlying securities. For example, a warrant is an instrument that entitles the holder to buy an asset at a specified price for a specified period of time. Changes in the value of a warrant do not necessarily correspond to changes in the value of the underlying asset. Also, the price of a warrant may be more

volatile than the price of the underlying security, and a warrant may offer greater potential for capital appreciation as well as capital loss. Warrants do not carry with them the right to dividends or voting rights with respect to any securities that they entitle their holder to purchase, and they do not represent any rights in the assets of the issuer. A warrant ceases to have value if it is not exercised prior to its expiration date. These factors can make warrants, and other derivatives, more speculative than other types of investments.

Derivatives are subject to a number of risks, such as potential changes in value in response to market developments or as a result of the counterparty's credit quality and the risk that a derivative transaction may not have the effect the Adviser anticipated. Derivatives also involve the risk of mispricing or improper valuation and the risk that changes in the value of a derivative may not correlate perfectly with the underlying indicator. Derivative transactions can create investment leverage, may be highly volatile, and the Fund could lose more than the amount it invests. Many derivative transactions are entered into "over the counter" (not on an exchange or contract market); as a result, the value of such a derivative transaction will depend on the ability and the willingness of the Fund's counterparty to perform its obligations under the transaction. If a counterparty were to default on its obligations, the Fund's contractual remedies against such counterparty may be subject to bankruptcy and insolvency laws, which could affect the Fund's rights as a creditor (e.g., the Fund may not receive the net amount of payments that it is contractually entitled to receive). A liquid secondary market may not always exist for the Fund's derivative positions at any time.

**Leverage Risk.** To the extent that the Fund borrows money, it may be leveraged. Leveraging generally exaggerates the effect on NAV of any increase or decrease in the market value of the Fund's portfolio securities.

## **PERFORMANCE**

The Fund has not yet commenced operations and therefore does not have a performance history.

## FEES AND EXPENSES

This table describes the fees and expenses that you may pay if you buy and hold Shares of the Fund.<sup>(a)(b)</sup>

### 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
Standard Creation/Redemption Transaction Fee	\$1,000
Maximum Creation/Redemption Transaction Fee <sup>(b)</sup>	\$4,000

### ANNUAL FUND OPERATING EXPENSES

(expenses that are deducted from Fund assets)

Management Fee	0.50%
Other Operating Expenses <sup>(c)</sup>	0.58%
Total Gross Annual Fund Operating Expenses <sup>(d)</sup>	1.08%
Fee Waivers and Expenses Assumption <sup>(e)</sup>	0.37%
<b>Total Net Annual Fund Operating Expenses<sup>(e)</sup></b>	<b>0.71%</b>

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

<sup>(b)</sup> 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. The Creation Transaction Fee, Redemption Transaction Fee and variable fees are not expenses of the Fund and do not impact the Fund’s expense ratio.

<sup>(c)</sup> Other operating expenses are based on estimated amounts for the current fiscal year and calculated as a percentage of the Fund’s net assets.

<sup>(d)</sup> 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 and other trading expenses, taxes and extraordinary expenses) from exceeding 0.71% of the Fund’s average daily net assets per year at least until May 1, 2010.

<sup>(e)</sup> The operating expenses excluded from the 0.71% 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.

The Fund sells and redeems Shares in Creation Units principally on an in-kind basis for portfolio securities of the Indonesia Index. Shares in less than Creation Units are not redeemable. An investor purchasing a Creation Unit on an in-kind basis would pay the following expenses on a \$10,000 investment (payment with a deposit of securities included in the Indonesia Index), assuming all Shares are redeemed at the end of the periods shown, a 5% annual return and that the Fund's operating expenses through May 1, 2010 are the same as those shown above under "Total Net Annual Fund Operating Expenses" and for all subsequent periods are the same as those shown above under "Total Gross Annual Fund Operating Expenses." *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	\$ 73
3	\$307

## CREATION TRANSACTION FEES AND REDEMPTION TRANSACTION FEES

The Trust will issue and redeem Shares at NAV only in blocks of 50,000 Shares or multiples thereof. As a practical matter, only authorized participants may purchase or redeem these Creation Units. A standard creation transaction fee of \$1,000 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 \$1,000 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 \$1,250,000 and a 5% return each year, and assuming that the Fund's operating expenses remain the same, the total costs would be \$9,125 if the Creation Unit is redeemed after one year and \$38,375 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."

## MARKET VECTORS INDONESIA INDEX

The Market Vectors Indonesia Index (the “Indonesia Index”) is a rules based index intended to give investors a means of tracking the overall performance of companies that are domiciled and primarily listed on an exchange in Indonesia or that generate at least 50% of their revenues in Indonesia. The Indonesia Index is a modified capitalization weighted, float adjusted index comprised of publicly traded companies that are domiciled and primarily listed on an exchange in Indonesia or that generate at least 50% of their revenues in Indonesia. In exceptional cases, companies with less than 50% of their revenues derived from Indonesia may be eligible for inclusion in the Indonesia Index.

Constituent stocks for the Indonesia Index must have a market capitalization of greater than \$150 million on a rebalancing date to be eligible for the Indonesia Index. Stocks whose market capitalization falls below \$100 million as of any rebalancing date will no longer be eligible for the Indonesia Index. Stocks must have a three-month average daily trading volume of at least \$1 million to be eligible for the Indonesia Index and issuers of such stocks must have traded at least 250,000 shares each month over the last six months. Only shares that trade on a recognized domestic or international stock exchange may qualify (e.g., National Stock Market stocks must be “reported securities” under 11Aa3-1 of the Exchange Act. Similar criteria and standards apply to stocks with foreign listings).

The Indonesia Index is calculated and maintained by Standard & Poor’s Custom Indices on behalf of 4asset-management GmbH. 4asset-management GmbH is not affiliated with the Fund. Index values are calculated daily and are distributed over the Consolidated Tape Association’s Network B between the hours of approximately 7:00 p.m. (New York time) and 6:15 p.m. (New York time) (except from 7:00 p.m., (New York time) Friday through 6:15 p.m. (New York time) Sunday). Index values are disseminated every 15 seconds.

The Indonesia Index is calculated using a capitalization weighting methodology, adjusted for float, which is modified so as to ensure compliance with the diversification requirements of Subchapter M of the Internal Revenue Code. The Indonesia Index is reconstituted quarterly, at the close of business on the third Friday in a quarter-end month (*i.e.*, March, June, September and December) and companies are added and/or deleted based upon the Indonesia Index eligibility criteria. Companies with recent stock exchange listings, *i.e.*, recent initial public offerings, may be added to the Indonesia Index on a quarterly basis, provided the companies meet all eligibility criteria and have been trading for more than 10 trading days. The share weights of the Indonesia Index components are adjusted also on a quarterly basis (every third Friday in a quarter-end month).

Rebalancing data, including constituent weights and related information, is posted on the Index’s web site prior to the start of trading on the first business day following the third Friday of the calendar quarter. A press announcement identifying additions and deletions to the Indonesia Index is issued on the Wednesday prior to a rebalancing date. Share weights of the constituents remain constant between quarters except in the event of certain types of corporate actions, including stock splits and reverse stock splits.

## Portfolio Holdings

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

## Additional Investment Strategies

The Fund will normally invest at least 80% of its total assets in component securities that comprise its benchmark index. The 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 stock or stock index) and in swaps, options, futures contracts and currency forwards. Swaps, options, futures contracts and currency forwards (and convertible securities and structured notes) may be used by the Fund in seeking performance that corresponds to its Index, and in managing cash flows. The Fund will not invest in money market instruments as part of a temporary defensive strategy to protect against potential stock market declines.

The Fund may lend its portfolio securities to brokers, dealers and other financial institutions desiring to borrow securities to complete transactions and for other purposes. In connection with such loans, the Fund receives liquid collateral equal to at least 102% of the value of the portfolio securities being loaned. This collateral is marked-to-market on a daily basis. Although the Fund will receive collateral in connection with all loans of its securities holdings, the Fund would be exposed to a risk of loss should a borrower default on its obligation to return the borrowed securities (e.g., the loaned securities may have appreciated beyond the value of the collateral held by the Fund). In addition, the Fund will bear the risk of loss of any cash collateral that it invests.

## Additional Risks of Investing in the Fund

**Absence of Prior Active Market.** The Fund is a newly organized series of an investment company and thus has no operating history. While the Fund's Shares are expected to be listed on the Exchange, there can be no assurance that active trading markets for the Shares will develop or 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 the Exchange may be halted due to market conditions or for reasons that, in the view of the Exchange, make trading in Shares inadvisable. In addition, trading in Shares on the Exchange is subject to trading halts caused by extraordinary market volatility pursuant to the Exchange's "circuit breaker" rules. There can be no assurance that the requirements of the Exchange necessary to maintain the listing of the Fund will continue to be met or will remain unchanged.

**Fluctuation of NAV.** The NAV of the Shares will fluctuate with changes in the market value of the Fund's securities holdings. The market prices of Shares will fluctuate in accordance with changes in NAV and supply and demand on the Exchange. 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 the Indonesia 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 (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 should not be sustained.

# Management

**Board of Trustees.** The Board of Trustees of the Trust has responsibility for the general oversight of the management of the Fund, 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 Fund's SAI.

**Investment Manager.** Under the terms of an Investment Management Agreement between the Trust and Van Eck Associates Corporation with respect to the Fund (the "Investment Management Agreement"), Van Eck Associates Corporation serves as the adviser to the Fund and, subject to the supervision of the Board of Trustees, will be responsible for the day-to-day investment management of the Fund. As of December 31, 2008, the Adviser managed approximately \$8.2 billion in assets. The Adviser's principal business address is 335 Madison Avenue, 19th Floor, New York, New York 10017.

A discussion regarding the basis for the Board of Trustees' approval of the Investment Management Agreement will be available in the Trust's annual report for the fiscal year ended December 31, 2008.

For the services provided to the Fund under the Investment Management Agreement, the Fund will pay the Adviser monthly fees based on a percentage of the Fund's average daily net assets at the annual rate of 0.50%. From time to time, the Adviser may waive all or a portion of its fee. Until at least May 1, 2010, 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 and other trading expenses, taxes and extraordinary expenses) from exceeding 0.71% of average daily net assets per year. The operating expenses excluded from the 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.

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

**Distributor.** Van Eck Securities Corporation is the distributor of the Fund's Shares. The Distributor will not distribute Shares in less than Creation Units, and it 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 the Fund's portfolio are Hao-Hung (Peter) Liao and Zhi (George) Cao. Mr. Liao has been employed by the Adviser since the summer of 2004. Mr. Liao attended New York University from 2000 to 2004 where he received a Bachelor of Arts majoring in mathematics and economics. Mr. Liao also serves as investment analyst for the Worldwide Absolute Return Fund ("WARF") where his role includes manager review, performance attribution, changes in manager mandates and risk management, and as a portfolio manager of WARF. Mr. Cao has been employed by the Adviser since December 2007. Prior to joining the Adviser, he served as Senior Finance Associate followed by Controller of Operations Administrations Division and Corporate Safety for United Airlines. He also served as Management Consultant to PricewaterhouseCoopers LLP as well as Financial Analyst for SAM Distribution Co. Ltd. Mr. Cao graduated from the University of International Business and Economics with a Bachelor of Arts in 1996; and from the University of Chicago in 2004 with a Master of Business Administration in Business. Because the Fund is new, Messrs. Liao and Cao will be serving as the portfolio managers of the Fund since its inception. See the Fund's SAI for additional information about the portfolio managers' compensation, other accounts managed by the portfolio managers and their respective ownership of Shares in the Fund.

# Shareholder Information

## DETERMINATION OF NAV

The NAV per Share for the 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 the Fund is determined each business day after the close of trading (ordinarily 4:00 p.m. New York time) on the New York Stock Exchange (“NYSE”). Any assets or liabilities denominated in currencies other than the U.S. dollar are converted into U.S. dollars at the current market rates on the date of valuation as quoted by one or more sources.

The value of the Fund’s portfolio securities is based on the securities’ closing price on local markets when available. If a security’s market price is not readily available or does not otherwise accurately reflect the fair value of the security, the security will be valued by another method that the Adviser believes will better reflect fair value in accordance with the Trust’s valuation policies and procedures approved by the Board of Trustees. The Fund may use fair value pricing in a variety of circumstances, including but not limited to, situations when the value of a security in the 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. In addition, the Fund currently expects that it will fair value foreign equity securities held by the Fund each day the Fund calculates its NAV. Accordingly, the 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 the Fund’s NAV and the prices used by the Index. This may adversely affect the Fund’s ability to track the Index. With respect to securities that are primarily listed on foreign exchanges, the value of the Fund’s portfolio securities may change on days when you will not be able to purchase or sell your Shares.

## BUYING AND SELLING EXCHANGE-TRADED SHARES

The Shares of the Fund are expected to be approved for listing on the NYSE Arca, subject to notice of issuance. 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. It is anticipated that the Shares of the Fund will 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 Fund’s SAI.

**Market Timing and Related Matters.** The Fund imposes no restrictions on the frequency of purchases and redemptions. The Board of Trustees considered the nature of the Fund (*i.e.*, a fund whose shares are expected to trade intra-day), that the Fund fair values all or a substantial portion of its securities, that the Adviser monitors the trading activity of authorized participants for patterns of or abusive trading, and that the Fund reserves the right to reject orders that may be disruptive to the management of or otherwise not in the Fund’s best interests. Given this structure, the Board of Trustees determined that it is not necessary to impose restrictions on the frequency of purchases and redemptions for the Fund at the present time.

Given this structure, the Board of Trustees determined that it is unlikely that (a) market timing would be attempted by the Fund’s shareholders or (b) any attempts to market time the Fund by shareholders would result in negative impact to the 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 the Fund and its shareholders.

## CREATION AND REDEMPTION OF CREATION UNITS

The Trust will issue and redeem Shares at NAV only in a large specified number of Shares called a “Creation Unit.” A Creation Unit consists of 50,000 Shares. The Fund generally issues and redeems Creation Units only in-kind in exchange for a designated portfolio of equity securities included in each Index and a relatively small cash payment. *Except when aggregated in Creation Units, the Shares are not redeemable securities of the Fund.* 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 creation of Creation Units of the Fund generally consists of cash, or the in-kind deposit of a designated portfolio of equity securities (the “Deposit Securities”) constituting a replication of the Fund’s Index and an amount of cash computed as described below (the “Cash Component”) and, together with the Deposit Securities, the “Fund Deposit.” The list of the names and numbers of shares of the Deposit Securities is made available by the Administrator through the facilities of the NSCC immediately prior to the opening of business each day of the Exchange on which the Fund trades. The Cash Component represents the difference between the NAV of a Creation Unit and the market value of the Deposit Securities and may include a “Dividend Equivalent Payment” as described in the Fund’s SAI. The Fund reserves the right to accept a basket of securities or cash that differs from the Deposit Securities.

**Procedures for Creation of Creation Units.** To be eligible to place orders with the Distributor to create Creation Units of the Fund, an entity or person either must be (1) a “Participating Party,” *i.e.*, a broker-dealer or other participant in the Clearing Process 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 outside the Clearing Process (“Participant Agreement”). All Creation Units of the Fund, 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 Fund through the Clearing Process 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 the Exchange (ordinarily 4:00 p.m. New York time) on the date on which a creation (or redemption order, as discussed below) is placed (the “Transmittal Date”).

Orders for creation that are effected outside the Clearing Process are likely to require transmittal by the DTC Participant earlier on the Transmittal Date than orders effected using the Clearing Process. Those persons placing orders outside the Clearing Process should ascertain the deadlines applicable to DTC and the Federal Reserve Bank wire system by contacting the operations department of the broker or depository institution effectuating such transfer of Deposit Securities and Cash Component. Investors should refer to “Creation and Redemption of Creation Units” in the Fund’s SAI for details regarding the logistics of placement of orders using and outside the Clearing Process.

**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, would own 80% or more of the currently outstanding Shares of the Fund; (c) the Deposit Securities delivered are not as specified by the Administrator, as described above; (d) acceptance of the Deposit Securities would have certain adverse tax consequences to the 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 acts of God or public service or utility problems such as fires, floods, extreme weather conditions and power outages resulting in telephone, telecopy and computer failures; market conditions or activities causing trading halts; systems failures involving computer or other information systems affecting the Trust, the Adviser, the Distributor, DTC, the 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 \$1,000, which is paid to the Fund (the “Creation Transaction Fee”), 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 may be imposed with respect to transactions effected outside of the Clearing Process (through a DTC Participant) or to the extent that cash is used in lieu of securities to purchase Creation Units. Where the Trust permits a creator to substitute “cash in lieu” of depositing a portion of the Deposit Securities, the creator will be assessed an additional variable charge for cash creations on the “cash in lieu” portion of its investment. See “Creation and Redemption of Creation Units” in the Fund’s 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 Fund may be issued in advance of receipt of all Deposit Securities subject to various conditions, including a requirement to maintain on deposit with the 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 Fund’s 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 the Exchange 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 the Exchange (currently 9:30 a.m. New York time) on each day that the Exchange is open for business, the securities held by the 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. Fund Securities received on redemption may not be identical to Deposit Securities which are applicable to purchasers of Creation Units. Unless cash redemptions are available or specified for the Fund, the redemption proceeds for a Creation Unit generally consist of 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 described below. The Fund reserves the right to honor a redemption request by delivering a basket of securities or cash that differs from the Fund Securities.

The redemption transaction fee of \$1,000 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 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 fees are the same no matter how many Creation Units are being redeemed pursuant to any one redemption request. The Fund may adjust these fees from time to time based upon actual experience. An additional charge up to four times the redemption transaction fee may be charged with respect to redemptions outside of the Clearing Process. An additional variable charge for cash redemptions or partial cash redemptions (when cash redemptions are available) may also be imposed. The Fund reserves the right to effect redemptions in cash. 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 Fund’s SAI for details regarding the logistics of redemption orders using and outside the Clearing Process.

Redemptions of Shares for Fund Securities will be subject to compliance with applicable U.S. federal and state securities laws, and the Fund (whether or not it otherwise permits cash redemptions) reserves the right to redeem Creation Units for cash to the extent that the Fund 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. Due to the schedule of holidays in certain countries, however, the delivery of in-kind redemption proceeds may

take longer than three business days after the day on which the redemption request is received in proper form. In such cases, the local market settlement procedures will not commence until the end of the local holiday periods. See the Fund's SAI for a list of the local holidays in the foreign countries relevant to the Fund.

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 Fund 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 Fund's SAI.

## DISTRIBUTIONS

**Net Investment Income and Capital Gains.** As a shareholder of the Fund, you are entitled to your share of the Fund's distributions of net investment income and net realized capital gains on its investments. The Fund pays out substantially all of its net earnings to its shareholders as "distributions."

The Fund typically earns 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 Fund realizes capital gains or losses whenever it sells securities. Net capital gains are distributed to shareholders as "capital gain distributions."

Net investment income and net capital gains 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 Fund may determine to distribute at least annually amounts representing the full dividend yield net of expenses on the underlying investment securities, as if the Fund owned the underlying investment securities for the entire distribution 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 the 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 Fund, including the possible application of foreign, state and local taxes. Unless your investment in the 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) the 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, the Fund expects to distribute net investment income at least annually, and any net realized long-term or short-term capital gains annually. The Fund may also pay a special distribution at the end of the calendar year to comply with U.S. federal tax requirements.

In general, your 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. Distributions of net investment income are generally taxable as ordinary income. Taxes on distributions of capital gains are determined by how long the Fund

owned the investments that generated them, rather than how long you have owned your Shares. Distributions of net short-term capital gains in excess of net long-term capital losses, if any, are generally taxable as ordinary income. Distributions of net long-term capital gains in excess of net short-term capital losses, if any, that are properly designated as capital gain dividends are generally taxable as long-term capital gains. Long-term capital gains of non-corporate shareholders are taxable at a maximum rate of 15% for taxable years beginning before January 1, 2011.

For taxable years beginning before January 1, 2011, the Fund may receive dividends, the distribution of which the Fund may designate as qualified dividends. In the event that the Fund receives such a dividend and designates the distribution of such dividend as a qualified dividend, the dividend may be taxed at the maximum capital gains rate, provided holding period and other requirements are met at both the shareholder and the Fund level.

Distributions in excess of the Fund's current and accumulated earnings and profits are treated as a tax-free return of your investment to the extent of your basis in the Shares, and generally as capital gain thereafter. A return of capital, which for tax purposes is treated as a return of your investment, reduces your basis in Shares, thus reducing any loss or increasing any gain on a subsequent taxable disposition of Shares. A distribution will reduce the 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.

Dividends, interest and gains from non-U.S. investments of the Fund may give rise to withholding and other taxes imposed by foreign countries. Tax conventions between certain countries and the United States may, in some cases, reduce or eliminate such taxes. The Fund may be able to pass through to you a deduction or credit for foreign taxes.

If you are not a citizen or resident alien of the United States, the 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. A RIC may, under certain circumstances, designate all or a portion of a dividend as an "interest-related dividend" that if received by a nonresident alien or foreign entity generally would be exempt from the 30% U.S. withholding tax, *provided* that certain other requirements are met. A RIC may also, under certain circumstances, designate all or a portion of a dividend as a "short-term capital gain dividend" which if received by a nonresident alien or foreign entity generally would be exempt from the 30% U.S. withholding tax, unless the foreign person is a nonresident alien individual present in the United States of a period or periods aggregating 183 days or more during the taxable year. However, given the nature of the Fund's investments, the Fund does not expect to pay significant amounts of "interest-related dividends." The provisions discussed above relating to dividends to foreign person apply to dividends with respect to taxable years beginning before January 1, 2010. Prospective investors are urged to consult their tax advisors regarding the specific tax consequences relating to the rules discussed above.

The Fund may be required to withhold a percentage of your distributions and proceeds if you have not provided a taxpayer identification number or social security number or otherwise established 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 a short-term capital gain or loss if held for one year or less. However, any capital loss on a 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. The ability to deduct capital losses may be limited.

### **Taxes on Creations and Redemptions of**

**Creation Units.** A person who exchanges 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 exchanger's aggregate basis in the securities surrendered, taking into consideration the Cash Component paid. A person who exchanges Creation Units for securities will generally recognize a gain or loss equal to the difference between the exchanger's basis in the Creation Units and sum of 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 for Creation Units or redeeming Creation Units should consult their own tax adviser with respect to whether wash

sale rules apply and when a loss might be deductible and the tax treatment of any creation or redemption transaction.

Under current U.S. federal income tax laws, any capital gain or loss realized upon a redemption (or creation) of Creation Units is generally treated as long-term capital gain or loss if the Shares (or securities surrendered) have been held for more than one year and as a short-term capital gain or loss if the Shares (or securities surrendered) 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 Fund. It is not a substitute for personal tax advice. Consult your own tax advisor about the potential tax consequences of an investment in the Fund under all applicable tax laws.

## License Agreement

The Adviser has entered into a licensing agreement with 4asset-management GmbH (“Licensor”) to use the Indonesia Index. The Fund is entitled to use the Index pursuant to a sub-licensing arrangement with the Adviser.

The Shares of Market Vectors Indonesia Index ETF are not sponsored, endorsed, sold or promoted by Licensor. Licensor makes no representation or warranty, express or implied, to the owners of the Shares of Market Vectors Indonesia Index ETF or any member of the public regarding the advisability of investing in securities generally or in the Shares of Market Vectors Indonesia Index ETF particularly or the ability of the Market Vectors Indonesia Index to track the performance of the Indonesian securities market. Licensor’s only relationship to the Adviser is the licensing of certain service marks and trade names of Licensor and of the Market Vectors Indonesia Index that is determined, composed and calculated by Licensor without regard to the Adviser or the Shares of Market Vectors Indonesia Index ETF. Licensor has no obligation to take the needs of the Adviser or the owners of the Shares of Market Vectors Indonesia Index ETF into consideration in determining, composing or calculating the Market Vectors Indonesia Index. Licensor is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the Shares of Market Vectors Indonesia Index ETF to be issued or in the determination or calculation of the equation by which the Shares of Market Vectors Indonesia Index ETF are to be converted into cash. Licensor has no obligation or liability in connection with the administration, marketing or trading of the Shares of Market Vectors Indonesia Index ETF.

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## Financial Highlights

The Fund had not yet commenced operations as of the date of this Prospectus and therefore does not have a financial history.

## 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 Fund's 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 Fund. Registered investment companies are permitted to invest in the Fund 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 the Fund.

Clifford Chance US LLP serves as counsel to the Trust, including the Fund. Ernst & Young LLP serves as the Fund's independent registered public accounting firm and will audit the Fund's 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 Fund's Shares. Information about the Fund 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 Fund's Registration Statement, including this Prospectus, the Fund's 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](mailto: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 the NYSE Arca (20 Broad Street, New York, NY 10005).

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

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

The Fund's SAI will be available through its website at [www.vaneck.com/etf](http://www.vaneck.com/etf).

(Investment Company Act file no. 811-10325)