

Edgar Filing: MARKET VECTORS ETF TRUST - Form N-CSRS

MARKET VECTORS ETF TRUST  
Form N-CSRS  
June 06, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT

INVESTMENT COMPANIES

Investment Company Act file number 811-10325

MARKET VECTORS ETF TRUST  
(Exact name of registrant as specified in charter)

335 Madison Avenue, New York, NY 10017  
(Address of principal executive offices) (Zip code)

Van Eck Associates Corporation  
335 Madison Avenue, New York, NY 10017  
(Name and address of agent for service)

Registrant's telephone number, including area code: (212) 293-2000

Date of fiscal year end: SEPTEMBER 30

Date of reporting period: MARCH 31, 2013

---

ITEM 1. Report to Shareholders.

**SEMI-ANNUAL REPORT**

March 31, 2013  
(unaudited)

**MARKET VECTORS**

**INDUSTRY ETFs**

**MARKET VECTORS**

**BROAD BASED U.S. ETF**

**MARKET VECTORS INDUSTRY AND BROAD BASED U.S. ETFs**

<u>President’s Letter</u>	1
<u>Management Discussion</u>	2
<u>Bank and Brokerage ETF (RKH)</u>	
<u>Biotech ETF (BBH)</u>	
<u>Environmental Services ETF (EVX)</u>	
<u>Gaming ETF (BJK)</u>	
<u>Pharmaceutical ETF (PPH)</u>	
<u>Retail ETF (RTH)</u>	
<u>Semiconductor ETF (SMH)</u>	
<u>Wide Moat ETF (MOAT)</u>	
<u>Performance Comparison</u>	
<u>Bank and Brokerage ETF (RKH)</u>	6
<u>Biotech ETF (BBH)</u>	7
<u>Environmental Services ETF (EVX)</u>	8
<u>Gaming ETF (BJK)</u>	9
<u>Pharmaceutical ETF (PPH)</u>	10
<u>Retail ETF (RTH)</u>	11
<u>Semiconductor ETF (SMH)</u>	12
<u>Wide Moat ETF (MOAT)</u>	13
<u>Explanation of Expenses</u>	14
<u>Schedule of Investments</u>	
<u>Bank and Brokerage ETF (RKH)</u>	15
<u>Biotech ETF (BBH)</u>	16
<u>Environmental Services ETF (EVX)</u>	17
<u>Gaming ETF (BJK)</u>	18
<u>Pharmaceutical ETF (PPH)</u>	20
<u>Retail ETF (RTH)</u>	21
<u>Semiconductor ETF (SMH)</u>	22
<u>Wide Moat ETF (MOAT)</u>	23
<u>Statements of Assets and Liabilities</u>	24
<u>Statements of Operations</u>	26
<u>Statements of Changes in Net Assets</u>	28
<u>Financial Highlights</u>	
<u>Bank and Brokerage ETF (RKH)</u>	32
<u>Biotech ETF (BBH)</u>	32
<u>Environmental Services ETF (EVX)</u>	33
<u>Gaming ETF (BJK)</u>	33
<u>Pharmaceutical ETF (PPH)</u>	34
<u>Retail ETF (RTH)</u>	34
<u>Semiconductor ETF (SMH)</u>	35
<u>Wide Moat ETF (MOAT)</u>	35
<u>Notes to Financial Statements</u>	36

Edgar Filing: MARKET VECTORS ETF TRUST - Form N-CSRS

The information contained in the management discussion represents the opinions of Market Vectors ETFs and may differ from other persons. This information is not intended to be a forecast of future events, a guarantee of future results or investment advice. The information contained herein regarding each index has been provided by the relevant index provider. Also, unless otherwise specifically noted, any discussion of the Funds' holdings and the Funds' performance, and the views of Market Vectors ETFs are as of March 31, 2013, and are subject to change.

MARKET VECTORS INDUSTRY AND BROAD BASED U.S. ETFs

Dear Shareholder:

We are pleased to present this semi-annual report for the industry exchange-traded funds (ETFs) and one broad-based U.S. equity ETF of the Market Vectors ETF Trust for the period ended March 31, 2013.

### **The Wide Moat Concept Gains Acceptance**

About a year ago, on April 24, 2012, we launched Market Vectors Wide Moat ETF (MOAT), which seeks to track, before fees and expenses, the Morningstar® Wide Moat Focus Index<sup>SM1</sup>. This index selects the 20 stocks in Morningstar's Wide Moat universe that trade at the largest discount to fair value. A Wide Moat company is defined by Morningstar as one with a sustainable competitive advantage, driven by five sources of moats - intangible assets, cost advantage, switching costs, network effect and efficient scale. Since 2002, Morningstar has made the "moat concept" the cornerstone of their equity research process.

Economic Moat: The Five Sources  
of Sustainable Competitive  
Advantage

Image Source: Morningstar. Companies listed not necessarily representative of current index composition.

I am pleased to report that strong investor interest in MOAT has continued from the ETF's inception until the present. With \$181 million in assets under management (AUM), MOAT was the fourth most successful U.S.-listed equity ETF launch for the one year period ending March 31, 2013, based on AUM.<sup>2</sup>

For more information on Morningstar's time-tested approach, visit our Wide Moat page at [www.vaneck.com/special/moat](http://www.vaneck.com/special/moat).

### **Distribution Frequency Increased**

We continually seek opportunities to improve our ETF offerings. In early 2013, we announced a move from annual distributions to quarterly distributions for Market Vectors Bank and Brokerage ETF (RKH) and Market Vectors Pharmaceutical ETF (PPH). Both ETFs provide exposure to industries that have generally out-yielded the broad equity markets over time. We believe quarterly payments will be well received by Fund shareholders, particularly those looking to pharmaceutical and banking and brokerage companies in part for income.

MARKET VECTORS INDUSTRY AND BROAD BASED U.S. ETFs

Thank you for participating in the Market Vectors ETF Trust. If you have any questions, please contact us at 1.888.MKT.VCTR or visit marketvectorsetfs.com. We value your ongoing confidence in us and look forward to helping you meet your investment goals in the future.

*Jan F. van Eck*  
*Trustee and President*  
*Market Vectors ETF Trust*

*March 31, 2013*

Represents the opinions of the investment adviser. Past performance is no guarantee of future results. Not intended to be a forecast of future events, a guarantee of future results or investment advice. Current market conditions may not continue.

## **Management Discussion**

For the six months ending March 31, 2013, equities returned strong performance, both in the U.S. and developed markets abroad. The S&P<sup>®</sup> 500 Index<sup>3</sup> of U.S. stocks returned 10.19% and the MSCI EAFE Index<sup>4</sup> of developed foreign markets returned 12.04% in U.S. dollars, driven largely by Japan's revived stock market. Emerging market equities lagged, with the MSCI Emerging Markets Index<sup>5</sup> returning 3.87% in U.S. dollars.

The strongest economic sectors in the U.S. market were Financials (18.01%), Healthcare (15.90%) and Industrials (14.77%). The weakest were Information Technology (-1.39%), Telecommunications (2.86%) and Energy (7.15%). The U.S. tech sector was dragged lower by the poor performance of its largest component by market value, Apple Inc.

All seven of Market Vectors' industry ETFs significantly outperformed the S&P 500 Index during this period, as shown on the next page. The performance was due mainly to the strength of the underlying sectors/industries in which these ETFs concentrate holdings. Our broad-based U.S. equity ETF, Market Vectors Wide Moat ETF, returned 9.39% for the period, slightly below the S&P 500 Index.





October 1, 2013 through March 31, 2013 Market Vectors Industry and Broad-Based U.S. ETFs Total Returns

Source: Van Eck Global. Returns based on NAV.

## **Industry ETFs**

### *Bank and Brokerage*

Despite headwinds emerging in Europe, the global financial sector continued its strong performance. Financials returned the strongest performance of all 10 GICS<sup>6</sup> sectors in both the U.S. (18.01%) and globally (16.80%) for this period, based on sector representation in the S&P 500 Index and S&P<sup>®</sup> Global 1200 Indexes<sup>7</sup>, respectively. The volatility that financial stocks previously had shown, since the 2008 crisis, appears to have moderated, although the Cyprus financial crisis in March had a temporary negative impact on performance.

### *Biotech*

The biotech industry has been a strong and steady performer for stock investors over the past year. Positive trends have included: 1) an uptrend in the U.S. healthcare sector driven by the approaching effective date of the Affordable Care Act; 2) a continued era of biotech acquisitions as major pharmaceutical companies' patents expire; and 3) increasing investor awareness of biotech as a source of consistent earnings growth. According to Bloomberg, there were 676 acquisitions in the biotech industry from 2010 through 2012, at an average premium of 38%.<sup>8</sup> One potential area of uncertainty for the industry is a case now before the U.S. Supreme Court to determine whether human genes can be patented. The U.S. Patent and Trademark Office has granted valuable patents on genes since 1982.<sup>9</sup>

### *Environmental Services*

Environment services companies occupy a defensive niche of the Consumer Staples sector in that they deliver services (e.g., pollution control and water treatment) that remain essential throughout economic cycles. These companies also provide waste disposal for construction projects so they stand to benefit from the recent revival of the U.S. new home-building industry. Since many companies in the industry depend on government contracts, their earnings could be vulnerable to federal, state and local budget cutbacks (e.g., sequestration).

### *Gaming*

The gaming industry has enjoyed strong performance in the U.S. and abroad. Recent success has been driven by both macro-economic tailwinds, including more robust consumer discretionary spending, and industry-specific events such as the legalization of Internet gambling by Nevada, New Jersey and Delaware in the past year.<sup>10</sup> The gaming industry is

3

MARKET VECTORS INDUSTRY AND BROAD BASED U.S. ETFs

developing new business models around technology and social/videogaming, in addition to casinos.<sup>11</sup> Outside the U.S., the industry has been helped by China's economic revival and the torrid growth of Macau. Forbes recently reported that Macau casinos earned \$38 billion in total revenues in 2012, 13.5% above the previous year, and more than the total U.S. casino industry.<sup>12</sup>

*Pharmaceutical*

The pharmaceutical industry regained momentum in this period outperforming the S&P 500 Index. The uptick was driven by an ever-aging population, a strong healthcare sector, industry cost-cutting and restructuring initiatives, and acquisitions to replenish patent drug pipelines. One risk to pharma is a current Supreme Court case in which the industry's practice of negotiating cash payments with generic drug manufacturers is being challenged. The Obama Administration contends such payments are in restraint of trade and keep prescription drug prices artificially high.<sup>13</sup>

*Retail*

The retail industry narrowly outperformed the S&P 500, although the sector's momentum was choppy and earnings reports of leading companies were mixed. The performance gap was wide between top performers such as Kroger (3.0% of Fund net assets), Walgreen (5.2% of Fund net assets) and Lowe's (4.7% of Fund net assets) and poor performers such as Whole Foods Market (3.0% of Fund net assets) and J.C. Penney (sold by the Fund during the period). J.C. Penney was replaced in the Market Vectors US Listed Retail 25 Index in the March rebalance. Consumer confidence and rising discretionary income helped grocers, drug chains and specialty retailers, while a rising housing market supported home improvement suppliers Lowe's and Home Depot (8.9% of Fund net assets). On a cautionary note, U.S. Consumer Confidence fell in March to the lowest point since December 2011, based in part on the impacts of a payroll tax hike and sequestration.<sup>14</sup>

*Semiconductor*

Although the semiconductor industry returned market-beating performance, results varied widely among industry segments. The industry's growth segment was represented by LED light leader CREE (2.0% of Fund net assets), which returned 114.51% for the reporting period. However, the stagnant PC chip segment was represented by Advanced Micro Devices (0.5% of Fund net assets), which declined 23.4%. Even the chip equipment makers, which usually move together, produced widely dispersed performance. Tech industry growth drivers on the industry's horizons include smartphones, tablet computers and smart TVs. But industry revenues are projected to grow by only 6.4% in 2013 after declining in 2012, and excess chip-making capacity remains a concern.<sup>15</sup>

**Broad Based U.S. Equity ETF**

*Wide Moat*

Since inception of the Morningstar Wide Moat Focus Index on February 14, 2007, the index has returned an annualized 9.21%, substantially outperforming the S&P 500 Index return of 3.60%.<sup>16</sup> The index was not able to maintain this outperformance in the most recent period, although results were solid. In this case, three underperforming components -Weight Watchers (5.0% of Fund net assets), Expeditors International (4.6% of Fund net assets) and St. Joe Company (sold by the Fund during the period) - weighed down the overall index. This demonstrates that a long-term horizon may maximize potential benefits of the Wide Moat concept, especially performance relative to broad equity market benchmarks.

† All Fund assets referenced are Total Net Assets as of March 31, 2013.

<sup>1</sup> The index is a rules-based, equal-weighted index intended to offer exposure to the 20 most attractively priced companies with according to Morningstar's equity research team.

<sup>2</sup> Source: Morningstar, March 31, 2013: Broad Category Group/Net Assets.

<sup>3</sup> Standard & Poor's (S&P) 500 Index, calculated with dividends reinvested, consist of 500 widely held common stocks covering transportation sectors.

<sup>4</sup> Morgan Stanley Capital International (MSCI) Europe, Australasia, Far East (EAFE) Index is an unmanaged capitalization-weighted index of 1,100 equity securities of companies located in Europe, Australasia and the Far East.

<sup>5</sup> The Morgan Stanley Capital International (MSCI) Emerging Markets Index is calculated with dividends reinvested. The Index tracks the performance of equities in each industry for approximately 21 emerging markets.

<sup>6</sup> Global Industry Classification Standard (GICS<sup>®</sup>), developed by MSCI.

<sup>7</sup> The S&P Global 1200 Index is a free-float weighted stock market index of global equities from Standard & Poor's. The index represents 100 percent of global stock market capitalization. It is composed of six regional indices.

<sup>8</sup> <http://finance.yahoo.com/news/mergers-acquisitions-within-biotech-industry-132000956.html> Press release, Five Start Equities

<sup>9</sup> <http://www.bloomberg.com/news/2013-04-12/biotech-industry-at-stake-in-human-gene-patent-decision.html> Bloomberg, 4/12/13, Gene Patent Decision.

<sup>10</sup> <http://online.wsj.com/article/SB10001424127887323884304578328293465612224.html> The Wall Street Journal, 2/26/13, In

<sup>11</sup> Ibid, see excerpt #2.

<sup>12</sup> <http://www.forbes.com/sites/greatspeculations/2013/03/20/las-vegas-sands-winning-bet-comes-from-doubling-down-in-macau/> Winning Bet Comes From Doubling Down in Macau.

<sup>13</sup> <http://truth-out.org/buzzflash/commentary/item/17879-because-big-pharma-pays-off-generic-drug-companies-americans-spend-billions-of-dollars-more-for-preferred-drugs> BuzzFlash.com, Because Big Pharma Pays Off Generic Drug Companies, Americans Spend Billions of Dollars More for Preferred

<sup>14</sup> <http://www.bloomberg.com/news/2013-03-15/michigan-consumer-sentiment-decreased-to-71-8-in-march-from-77-6.html> Bloomberg, U.S. Falls to Lowest Point in Year.

<sup>15</sup> <http://www.isuppli.com/semiconductor-value-chain/marketwatch/pages/semiconductor-industry-to-enjoy-modest-climb-in-2013-as-demand-for-silicon-rises> iSuppli, 3/18/13: Semiconductor Industry to Enjoy Modest Climb in 2013 as Demand for Silicon Rises.

<sup>16</sup> Source: Morningstar, March 31, 2013: Wide Moat Focus Index Performance.

BANK AND BROKERAGE ETF (RKH)

PERFORMANCE COMPARISON

March 31, 2013 (unaudited)

Total Return	Share Price <sup>1</sup>	NAV	MVRKHTR <sup>2</sup>
Six Months	16.14%	16.00%	15.82%
One Year	10.85%	10.83%	10.43%
Life* (annualized)	30.63%	29.62%	29.26%
Life* (cumulative)	40.75%	39.36%	38.88%

*\*since 12/20/11*

**Commencement date for the Market Vectors Bank and Brokerage ETF was 12/20/11.**

The price used to calculate market return (Share Price) is determined by using the closing price listed on NYSE Arca. Since the shares of the Fund did not trade in the secondary market until several days after the Fund's commencement, <sup>1</sup>for the period from commencement (12/20/11) to the first day of secondary market trading in shares of the Fund (12/21/11), the NAV of the Fund is used as a proxy for the secondary market trading price to calculate market returns.

**The performance data quoted represents past performance. Past performance is not a guarantee of future results.**

Performance information for the Fund reflects temporary waivers of expenses and/or fees. Had the Fund incurred all expenses, investment returns would have been reduced. These returns do not reflect the deduction of taxes that a shareholder would pay on Fund dividends and distributions or the sale of Fund shares.

**Investment return and value of the shares of the Fund will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. Performance may be lower or higher than performance data quoted. Performance current to the most recent month-end is available by calling 1.888.MKT.VCTR or by visiting [marketvectorsetfs.com](http://marketvectorsetfs.com).**

Gross Expense Ratio 0.75% / Net Expense Ratio 0.36%

The Advisor has agreed to waive fees and/or pay Fund expenses to the extent necessary to prevent the operating expenses of the Fund (excluding interest expense, offering costs, trading expenses, taxes and extraordinary expenses) from exceeding 0.35% of the average daily net assets per year until at least February 1, 2014. During such time, the

expense limitation is expected to continue until the Fund's Board of Trustees acts to discontinue all or a portion of such expense limitation.

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.

The "Net Asset Value" (NAV) of a Market Vectors exchange-traded fund (ETF) is determined at the close of each business day, and represents the dollar value of one share of the fund; it is calculated by taking the total assets of the fund, subtracting total liabilities, and dividing by the total number of shares outstanding. The NAV is not necessarily the same as the ETF's intraday trading value. Market Vectors ETF investors should not expect to buy or sell shares at NAV.

Market Vectors US Listed Bank and Brokerage 25 Index (MVRKHTR) (the "Index") is the exclusive property of Market Vectors Index Solutions GmbH (a wholly owned subsidiary of the Adviser), which has contracted with Structured Solutions AG to maintain and calculate the Index. Structured Solutions AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards Market Vectors Index Solutions GmbH, Structured Solutions AG has no obligation to point out errors in the Index to third parties. Market Vectors Bank and Brokerage ETF (the "Fund") is not sponsored, endorsed, sold or promoted by Market Vectors Index Solutions GmbH and Market Vectors Index Solutions GmbH makes no representation regarding the advisability of investing in the Fund.

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

Market Vectors US Listed Bank and Brokerage 25 Index (MVRKHTR) is a rules based, modified capitalization weighted, float adjusted index intended to give investors a means of tracking the overall performance of the largest and the most liquid common stocks and depositary receipts of U.S. exchange-listed companies engaged primarily on a global basis that derive the majority of their revenues from banking, which includes a broad range of financial services such as investment banking, brokerage services and corporate lending to large institutions.

## BIOTECH ETF (BBH)

## PERFORMANCE COMPARISON

March 31, 2013 (unaudited)

<b>Total Return</b>	<b>Share Price<sup>1</sup></b>	<b>NAV</b>	<b>MVBBHTR<sup>2</sup></b>
Six Months	20.56%	20.39%	20.52%
One Year	46.57%	46.61%	46.84%
Life* (annualized)	61.76%	61.40%	61.77%
Life* (cumulative)	85.03%	84.50%	85.05%

*\*since 12/20/11*

**Commencement date for the Market Vectors Biotech ETF was 12/20/11.**

The price used to calculate market return (Share Price) is determined by using the closing price listed on NYSE Arca. Since the shares of the Fund did not trade in the secondary market until several days after the Fund's commencement, <sup>1</sup>for the period from commencement (12/20/11) to the first day of secondary market trading in shares of the Fund (12/21/11), the NAV of the Fund is used as a proxy for the secondary market trading price to calculate market returns.

**The performance data quoted represents past performance. Past performance is not a guarantee of future results.**

Performance information for the Fund reflects temporary waivers of expenses and/or fees. Had the Fund incurred all expenses, investment returns would have been reduced. These returns do not reflect the deduction of taxes that a shareholder would pay on Fund dividends and distributions or the sale of Fund shares.

**Investment return and value of the shares of the Fund will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. Performance may be lower or higher than performance data quoted. Performance current to the most recent month-end is available by calling 1.888.MKT.VCTR or by visiting marketvectorsetfs.com.**

Gross Expense Ratio 0.41% / Net Expense Ratio 0.35%



## Edgar Filing: MARKET VECTORS ETF TRUST - Form N-CSRS

The Advisor has agreed to waive fees and/or pay Fund expenses to the extent necessary to prevent the operating expenses of the Fund (excluding interest expense, offering costs, trading expenses, taxes and extraordinary expenses) from exceeding 0.35% of the average daily net assets per year until at least February 1, 2014. During such time, the expense limitation is expected to continue until the Fund's Board of Trustees acts to discontinue all or a portion of such expense limitation.

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.

The "Net Asset Value" (NAV) of a Market Vectors exchange-traded fund (ETF) is determined at the close of each business day, and represents the dollar value of one share of the fund; it is calculated by taking the total assets of the fund, subtracting total liabilities, and dividing by the total number of shares outstanding. The NAV is not necessarily the same as the ETF's intraday trading value. Market Vectors ETF investors should not expect to buy or sell shares at NAV.

Market Vectors US Listed Biotech 25 Index (MVBBHTR) (the "Index") is the exclusive property of Market Vectors Index Solutions GmbH (a wholly owned subsidiary of the Adviser), which has contracted with Structured Solutions AG to maintain and calculate the Index. Structured Solutions AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards Market Vectors Index Solutions GmbH, Structured Solutions AG has no obligation to point out errors in the Index to third parties. Market Vectors Biotech ETF (the "Fund") is not sponsored, endorsed, sold or promoted by Market Vectors Index Solutions GmbH and Market Vectors Index Solutions GmbH makes no representation regarding the advisability of investing in the Fund.

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

Market Vectors US Listed Biotech 25 Index (MVBBHTR) is a rules based, modified capitalization weighted, float adjusted index intended to give investors a means of tracking the overall performance of the largest and the most liquid common stocks and depositary receipts of U.S. exchange-listed companies that derive most of their revenues from biotechnology, which includes biotechnology research and development as well as production, marketing and sales of drugs based on genetic analysis and diagnostic equipment.

## ENVIRONMENTAL SERVICES ETF (EVX)

## PERFORMANCE COMPARISON

March 31, 2013 (unaudited)

Total Return	Share Price <sup>1</sup>	NAV	AXENV <sup>2</sup>
Six Months	14.79 %	14.99 %	15.29 %
One Year	7.57 %	7.93 %	8.60 %
Five Year (annualized)	3.99 %	4.18 %	4.83 %
Life* (annualized)	6.46 %	6.56 %	7.13 %
Life* (cumulative)	49.92 %	50.82 %	56.15 %

\*since 10/10/06

**Commencement date for the Market Vectors Environmental Services ETF was 10/10/06.**

The price used to calculate market return (Share Price) is determined by using the closing price listed on NYSE Arca. Since the shares of the Fund did not trade in the secondary market until several days after the Fund's commencement, for the period from commencement (10/10/06) to the first day of secondary market trading in shares of the Fund (10/16/06), the NAV of the Fund is used as a proxy for the secondary market trading price to calculate market returns.

**The performance data quoted represents past performance. Past performance is not a guarantee of future results.**

Performance information for the Fund reflects temporary waivers of expenses and/or fees. Had the Fund incurred all expenses, investment returns would have been reduced. These returns do not reflect the deduction of taxes that a shareholder would pay on Fund dividends and distributions or the sale of Fund shares.

**Investment return and value of the shares of the Fund will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. Performance may be lower or higher than performance data quoted. Performance current to the most recent month-end is available by calling 1.888.MKT.VCTR or by visiting [marketvectorsetfs.com](http://marketvectorsetfs.com).**

Gross Expense Ratio 1.02% / Net Expense Ratio 0.55%

The Advisor has agreed to waive fees and/or pay Fund expenses to the extent necessary to prevent the operating expenses of the Fund (excluding interest expense, offering costs, trading expenses, taxes and extraordinary expenses)

from exceeding 0.55% of the average daily net assets per year until at least February 1, 2014. During such time, the expense limitation is expected to continue until the Fund's Board of Trustees acts to discontinue all or a portion of such expense limitation.

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.

The "Net Asset Value" (NAV) of a Market Vectors exchange-traded fund (ETF) is determined at the close of each business day, and represents the dollar value of one share of the fund; it is calculated by taking the total assets of the fund, subtracting total liabilities, and dividing by the total number of shares outstanding. The NAV is not necessarily the same as the ETF's intraday trading value. Market Vectors ETF investors should not expect to buy or sell shares at NAV.

NYSE Arca Environmental Services Index (AXENV) is a trademark of NYSE Euronext or its affiliates (NYSE Euronext), is licensed for use by Van Eck Associates Corporation. NYSE Euronext neither sponsors nor endorses the Fund and makes no representation as to the accuracy and/or completeness of AXENV or results to be obtained by any person from using the AXENV in connection with trading of the Fund.

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

NYSE Arca Environmental Services Index (AXENV) is a modified equal dollar-weighted index comprised of 2 publicly traded companies that are involved in the management, removal and storage of consumer waste and industrial byproducts and related environmental services.

GAMING ETF (BJK)

PERFORMANCE COMPARISON

March 31, 2013 (unaudited)

Total Return	Share Price <sup>1</sup>	NAV	MVBJKTR <sup>2</sup>
Six Months	22.38 %	21.65 %	21.12 %
One Year	16.16 %	15.63 %	15.88 %
Five Year (annualized)	2.88 %	2.84 %	3.69 %
Life* (annualized)	2.70 %	2.69 %	3.65 %
Life* (cumulative)	14.82 %	14.78 %	20.46 %

\*since 1/22/08

**Commencement date for the Market Vectors Gaming ETF was 1/22/08.**

The price used to calculate market return (Share Price) is determined by using the closing price listed on NYSE Arca. Since the shares of the Fund did not trade in the secondary market until several days after the Fund's commencement, for the period from commencement (1/22/08) to the first day of secondary market trading in shares of the Fund (1/24/08), the NAV of the Fund is used as a proxy for the secondary market trading price to calculate market returns.

**The performance data quoted represents past performance. Past performance is not a guarantee of future results.**

Performance information for the Fund reflects temporary waivers of expenses and/or fees. Had the Fund incurred all expenses, investment returns would have been reduced. These returns do not reflect the deduction of taxes that a shareholder would pay on Fund dividends and distributions or the sale of Fund shares.

**Investment return and value of the shares of the Fund will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. Performance may be lower or higher than performance data quoted. Performance current to the most recent month-end is available by calling 1.888.MKT.VCTR or by visiting [marketvectorsetfs.com](http://marketvectorsetfs.com).**

Gross Expense Ratio 0.85% / Net Expense Ratio 0.65%

## Edgar Filing: MARKET VECTORS ETF TRUST - Form N-CSRS

The Advisor has agreed to waive fees and/or pay Fund expenses to the extent necessary to prevent the operating expenses of the Fund (excluding interest expense, offering costs, trading expenses, taxes and extraordinary expenses) from exceeding 0.65% of the average daily net assets per year until at least February 1, 2014. During such time, the expense limitation is expected to continue until the Fund's Board of Trustees acts to discontinue all or a portion of such expense limitation.

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 cash. Shares may trade at a premium or discount to their NAV in the secondary market.

The "Net Asset Value" (NAV) of a Market Vectors exchange-traded fund (ETF) is determined at the close of each business day, and represents the dollar value of one share of the fund; it is calculated by taking the total assets of the fund, subtracting total liabilities, and dividing by the total number of shares outstanding. The NAV is not necessarily the same as the ETF's intraday trading value. Market Vectors ETF investors should not expect to buy or sell shares at NAV.

Market Vectors Global Gaming Index (MVBKTR) (the "Index") is the exclusive property of Market Vectors Index Solutions GmbH (a wholly owned subsidiary of the Adviser), which has contracted with Structured Solutions AG to maintain and calculate the Index. Structured Solutions AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards Market Vectors Index Solutions GmbH, Structured Solutions AG has no obligation to point out errors in the Index to third parties. Market Vectors Gaming ETF (the "Fund") is not sponsored, endorsed, sold or promoted by Market Vectors Index Solutions GmbH and Market Vectors Index Solutions GmbH makes no representation regarding the advisability of investing in the Fund.

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

Market Vectors Global Gaming Index (MVBKTR) is a rules based index intended to give investors a means of tracking the overall performance of the largest and most liquid companies in the global gaming industry that generate at least 50% of their revenues from casinos and hotels, sports betting (including internet gambling and racetracks) and lottery services as well as gaming services, gaming technology and gaming equipment.

## PHARMACEUTICAL ETF (PPH)

## PERFORMANCE COMPARISON

March 31, 2013 (unaudited)

Total Return	Share Price <sup>1</sup>	NAV	MVPPHTR <sup>2</sup>
Six Months	13.63 %	13.47 %	13.40 %
One Year	21.13 %	20.96 %	20.73 %
Life* (annualized)	23.37 %	22.37 %	22.19 %
Life* (cumulative)	30.83 %	29.47 %	29.22 %

\*since 12/20/11

**Commencement date for the Market Vectors Pharmaceutical ETF was 12/20/11.**

The price used to calculate market return (Share Price) is determined by using the closing price listed on NYSE Arca. Since the shares of the Fund did not trade in the secondary market until several days after the Fund's commencement, for the period from commencement (12/20/11) to the first day of secondary market trading in shares of the Fund (12/21/11), the NAV of the Fund is used as a proxy for the secondary market trading price to calculate market returns.

**The performance data quoted represents past performance. Past performance is not a guarantee of future results.**

Performance information for the Fund reflects temporary waivers of expenses and/or fees. Had the Fund incurred all expenses, investment returns would have been reduced. These returns do not reflect the deduction of taxes that a shareholder would pay on Fund dividends and distributions or the sale of Fund shares.

**Investment return and value of the shares of the Fund will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. Performance may be lower or higher than performance data quoted. Performance current to the most recent month-end is available by calling 1.888.MKT.VCTR or by visiting [marketvectorsetfs.com](http://marketvectorsetfs.com).**

Gross Expense Ratio 0.43% / Net Expense Ratio 0.35%

## Edgar Filing: MARKET VECTORS ETF TRUST - Form N-CSRS

The Advisor has agreed to waive fees and/or pay Fund expenses to the extent necessary to prevent the operating expenses of the Fund (excluding interest expense, offering costs, trading expenses, taxes and extraordinary expenses) from exceeding 0.35% of the average daily net assets per year until at least February 1, 2014. During such time, the expense limitation is expected to continue until the Fund's Board of Trustees acts to discontinue all or a portion of such expense limitation.

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.

The "Net Asset Value" (NAV) of a Market Vectors exchange-traded fund (ETF) is determined at the close of each business day, and represents the dollar value of one share of the fund; it is calculated by taking the total assets of the fund, subtracting total liabilities, and dividing by the total number of shares outstanding. The NAV is not necessarily the same as the ETF's intraday trading value. Market Vectors ETF investors should not expect to buy or sell shares at NAV.

Market Vectors US Listed Pharmaceutical 25 Index (MVPPHTR) (the "Index") is the exclusive property of Market Vectors Index Solutions GmbH (a wholly owned subsidiary of the Adviser), which has contracted with Structured Solutions AG to maintain and calculate the Index. Structured Solutions AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards Market Vectors Index Solutions GmbH, Structured Solutions AG has no obligation to point out errors in the Index to third parties. Market Vectors Pharmaceutical ETF (the "Fund") is not sponsored, endorsed, sold or promoted by Market Vectors Index Solutions GmbH and Market Vectors Index Solutions GmbH makes no representation regarding the advisability of investing in the Fund.

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

Market Vectors US Listed Pharmaceutical 25 Index (MVPPHTR) is a rules based, modified capitalization weighted, float adjusted index intended to give investors a means of tracking the overall performance of the largest and the 2 most liquid common stocks and depositary receipts of U.S. exchange-listed companies that derive most their revenues from pharmaceuticals, which includes pharmaceutical research and development as well as production, marketing and sales of pharmaceuticals.

RETAIL ETF (RTH)

PERFORMANCE COMPARISON

March 31, 2013 (unaudited)

Total Return	Share Price <sup>1</sup>	NAV	MVRTHTR <sup>2</sup>
Six Months	11.10 %	11.11 %	10.84 %
One Year	19.08 %		