



SEMI-ANNUAL REPORT
June 30, 2016
(unaudited)

VanEck VIP Trust

VanEck VIP Emerging Markets Fund

VANECK VIP EMERGING MARKETS FUND

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The information contained in this shareholder letter represents the personal opinions of the investment team members and may differ from those of other portfolio managers or of the firm as a whole. This information is not intended to be a forecast of future events, a guarantee of future results or investment advice. Also, unless otherwise specifically noted, any discussion of the Fund's holdings, the Fund's performance, and the views of the investment team members are as of June 30, 2016.

Dear Shareholder:

The Initial Class shares of the VanEck VIP Emerging Markets Fund (the “Fund”) returned 1.35% during the six-month period ending June 30, 2016, and underperformed the MSCI Emerging Markets (MSCI EM) Index,¹ its benchmark index, which gained 6.60% over the same period.

In the past six months, dynamics in emerging markets have not been helpful to the Fund’s growth at a reasonable price philosophy. Size and growth risk factors contributed to most of its underperformance versus the MSCI EM benchmark; in addition to a few disappointing stocks in the industrial sector in China. Our philosophy and approach tend to lead us away from energy (up about 15%, for example), materials, and utilities sectors, all of which rallied substantially in the first half of 2016, while structural growth sectors such as consumer, healthcare, and financials, trailed. China and India, two of the Fund’s largest country overweights relative to the MSCI EM Index, had a disappointing 2016 compared to their Latin America counterparts. In the past six months, large caps outperformed small caps and value outperformed growth. For us, those factors coming together in 2016 constitute the exact opposite of “all stars aligned”.

We continue to be fundamentally driven and employ a bottom-up investment strategy that has the ability to invest wherever opportunities exist, regardless of market capitalization and geography. Both our philosophy and process differentiate the Fund’s strategy, allowing us to capitalize on opportunities that are not well captured by the standard benchmark indices.

Fund Review

On a country level, Peru, South Korea, and the Philippines aided the Fund’s performance the most, while China, Russia, and Saudi Arabia detracted from relative performance in the first six months of the year.

On a sector level, financials and consumer sectors did well for the Fund’s relative performance, while stock selection in industrials and information technology disappointed.

Our top five performing stocks were companies from across the globe. As a Brazilian real holding, BB Seguridade Participações (2.2% of Fund net assets[†]), the insurance arm of Banco do Brasil, the largest Latin America-based bank, was helped significantly by the rebound in the Brazilian market during the first half of 2016. The story is a structural one,

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(unaudited) (continued)

with the company continuing to display strong execution, in line with our growth thesis.

In Peru, in addition to its improving asset quality, consistent performance, and asset growth, financial holding company Credicorp (2.8% of Fund net assets[†]) benefited from an uptick in the commodities markets, together with the turnaround in the Peruvian market during the six-month period. This followed a second half in 2015 when uncertainty as to whether the country would be reclassified by MSCI indexers weighed heavily on its stocks and the recent resolution of political uncertainty with the election of Pedro Pablo Kuczynski as the country's president.

In India, Yes Bank Limited (3.3% of Fund net assets[†]), a high-quality, private sector bank, benefited from both improving loan growth and widening lending spreads. This led to significant results, as has the bank's focus on retail, as opposed to commercial, business opportunities. In addition, as it becomes clear that the current government is unlikely to recapitalize the overly indebted state-owned banking sector, the well-managed private banks are positioned to take considerable market share.

Smiles (1.6% of Fund net assets[†]), another Brazilian company, performed commendably over the first six months of the year. The company provides value-added operations to "air mile" programs in Latin America. The company has benefited both from being a Brazilian real-based stock, and from the country's recent recovery.

Stock in Robinsons Retail Holdings (2.5% of Fund net assets[†]), the Philippines' second largest multi-format retailer, benefited during the first six months of 2016 from the improving macroeconomic environment in the country, together with the absence of the uncertainties that had preceded the presidential elections. The company demonstrated strong same-store growth across all formats with both strength in the growth of its core business and new store openings.

Four of the five biggest detractors from performance during the six-month period were Chinese. One of the Fund's internet holdings, JD.com (2.4% of Fund net assets[†]) suffered from the widespread exit from the Chinese market during the first quarter of the year, giving back some of its outperformance of the previous year. The second quarter brought some negative points regarding top-line sales which caused some further multiple contraction. However, the company, as market leader, continues to reflect, in our opinion, the considerable strength of the growth

opportunities in the e-commerce sector in China and we are inclined to remain patient.

Having been forced to change its business model, Hong Kong, China based-Boer Power Holdings (0.3% of Fund net assets[†]), which provides electrical distribution solutions, faced, in our opinion, increased business risk. The company's leverage increased as it took on higher levels of accounts receivable. Although we have reduced our exposure to the company until the outlook becomes more predictable, we still believe that the company will continue to be a beneficiary of the development of a smarter grid in China.

CAR (1.1% of Fund net assets[†]), also based in Hong Kong, is the largest auto rental company in China and provides vehicles to U-Car, a partner providing "Uber-like" chauffeured car services in China. The issues around this company and its recent poor performance center on uncertainty surrounding the regulatory environment that has led U-Car to scale back its investment and use fewer CAR vehicles. The management remains focused, however, on the very valuable core rental business.

Luxoft Holdings (1.6% of Fund net assets[†]) is a high-end information technology services provider, in particular to the financial services industry, with its programmers largely situated in the ex-Soviet Union countries, referred to as Commonwealth of Independent States (CIS). During the period under review, the company reported lower than expected numbers, largely related to the pulling of a key contract by a client.

Wasion Group Holdings (sold by Fund by period end), like Boer Power Holdings, is in the business of improving the efficiency of power use in China. Early in the period under review, it suffered from the fallout created by the adjustment and lengthening of payment timelines on certain government contracts and we exited our position in the company.

Overview

Emerging markets equities in 2015 witnessed a year of more twists and turns in macro factors that we can remember. Emerging markets greeted 2016 with a sharp decline during the first 20 days of the year on negative headlines regarding a possible currency depreciation in China and fears of an imminent debt crisis. However, markets reversed, following the bottom towards the end of January, as evidence emerged that China's flows were stabilizing. The U.S. Federal Reserve's signal that it will keep rates low encouraged more investors to return to emerging markets. The asset class received record flows during March.

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(unaudited) (continued)

During the second quarter, macro-driven turbulence continued. Markets were challenged by the British withdrawal from the European Union (Brexit), negative bond yields, a sharp appreciation in the Japanese yen, and concerns about the rise of “populist politics”—to name but a few issues. In emerging markets equities, the second quarter of 2016 witnessed some of the same dynamics and factors that dominated the first quarter of the year. In particular, return dispersions between sectors and countries remained substantial, and large caps continued to outperform small caps. Commodities-related sectors and countries continued to rally (although less so than in the first quarter). China’s and India’s markets improved in the second quarter, but certainly did not match the performance of their Latin American (LATAM) counterparts. It is worth noting that, so far this year, despite all the negative events and headlines, the MSCI EM is ahead of most major global indices, in marked contrast to the last five years. Gratifyingly, despite all this turmoil and confusion, and the outperformance of commodities-related sectors, the Fund was able to outperform its index in the second quarter, clawing back some of the first quarter underperformance, and continuing its long run outperformance of the asset class.

Concern surrounding China’s capital outflows has lessened, but there is still net depreciation pressure on the renminbi. In some ways, mild, engineered depreciation versus a basket of currencies, while keeping a lid on capital outflow pressures, represents a positive outcome for China. Market concern has tended to focus more on the rapid increase in leverage that we have seen in China since the global financial crisis. Although we do agree that there is a significant issue that will necessitate some hard decisions, we think that there are very significant differences in the nature of that debt and the management of the economy that will prevent a systemic crisis in the foreseeable future. As a reminder, our investments in China are firmly focused on the better, more sustainable parts of the Chinese equity story. We find areas such as tourism, education, healthcare, and e-commerce to be the best, most predictable places to make investments in China. This contrasts with the more cyclical parts of China, involving commodities, heavy industry and property, which may nevertheless have their “moment in the sun” from time to time.

A major, unexpected event in the second quarter for world markets and currencies was, of course, the Brexit vote in the U.K. The direct, first order implications for emerging markets are relatively small. But the ramifications may be very significant.

Strategy and Outlook

We are constructive on the continuing outperformance of emerging markets in a global context. We continue to implement our philosophy of structural growth at a reasonable price. We find that there are many areas of superior, sustained growth that are essentially non-cyclical in nature and will provide very reliable opportunities for well-managed companies to exploit. In some places, demographics are very positive, and consumer preferences and labor skills continue to evolve swiftly. Other countries are taking seriously the structural reforms and skills investment necessary to advance their economies from the middle income level.

We continue to be very excited by the services and financial sectors. Within these, we are interested in participating in companies where strong, innovative management teams are able to capitalize on dynamic change and extract real value, including e-commerce, Internet services, healthcare, travel, and education, and very specific, consumer-focused, financial services business models.

Taking pockets of reliable structural growth in the emerging markets as a starting point, and then adding to these the expectation of a continued benign U.S. dollar environment, we believe should lead to reasonable relative returns from our fund in this growth-challenged world. Volatility in commodities may help or hurt our relative performance at the margin, quarter by quarter. Over the medium- to longer-term horizon, we continue to believe we are able to access superior non-cyclical, repeatable, risk-adjusted returns for our investors. We continue to discover—and invest in—great companies with strong competitive advantages. As we often mention, countries and sectors may drift in and out of favor with investors and cause bouts of underperformance for periods of time. However, great companies—regardless of their domicile—usually have strong cash flows to invest consistently in their businesses, and compound long-term structural trends despite short-term periods of underperformance against either a benchmark or cyclical sectors. We remain disciplined during these periods and add to positions where valuations guide us. We do not seek to chase short-term trends or short-term shifts in investor preference.

Since idiosyncrasy remains a critical aspect of investing in the emerging markets, we appreciate the flexibility inherent in our process that allows us to invest in well-priced structural growth opportunities across the market capitalizations. In addition, we also have the advantage of being able to avoid certain larger capitalization names which are often exposed to cyclical industries and/or may be subject to unwelcome government

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(unaudited) (continued)

involvement. As we go forward, we will continue to pursue attractive investments that we believe can deliver the anticipated growth that characterizes emerging market countries.

The Fund continues to employ an active, non-index driven approach. Among other things, this provides it with the flexibility to address not only interesting emerging opportunities, but also concerns in both companies and countries, should any arise. It is essentially the flexibility to invest in the best structural growth stories that we can find, many of which are found in mid- and small-cap stocks.

The Fund is subject to the risks associated with its investments in emerging markets securities, which tend to be more volatile and less liquid than securities traded in developed countries. The Fund's investments in foreign securities involve risks related to adverse political and economic developments unique to a country or a region, currency fluctuations or controls, and the possibility of arbitrary action by foreign governments, including the takeover of property without adequate compensation or imposition of prohibitive taxation. The Fund is subject to risks associated with investments in derivatives, illiquid securities, and small- or mid-cap companies. The Fund is also subject to inflation risk, market risk, non-diversification risk, and leverage risk. Please see the prospectus for information on these and other risk considerations.

We appreciate your participation in the VanEck VIP Emerging Markets Fund, and we look forward to helping you meet your investment goals in the future.



David A. Semple
Portfolio Manager

July 19, 2016



Angus Shillington
Deputy Portfolio Manager

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.

† All Fund assets referenced are Total Net Assets as of June 30, 2016.

The performance quoted represents past performance. Past performance is no guarantee of future results; current performance may be lower or higher than the performance data quoted. Performance information reflects temporary waivers of expenses and/or fees and does not include insurance/annuity fees and expenses. Investment returns would have been reduced had these fees/expenses been included. Investment return and the value of the shares of the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Fund returns assume that dividends and capital gains distributions have been reinvested in the Fund at NAV. Index returns assume that dividends of the Index constituents in the Index have been reinvested. Performance information current to the most recent month end is available by calling 800.826.2333.

The Fund is only available to life insurance and annuity companies to fund their variable annuity and variable life insurance products. These contracts offer life insurance and tax benefits to the beneficial owners of the Fund. Your insurance or annuity company charges, fees and expenses for these benefits are not reflected in this report or in the Fund's performance, since they are not direct expenses of the Fund. Had these fees been included, returns would have been lower. For insurance products, performance figures do not reflect the cost for insurance and if they did, the performance shown would be significantly lower. A review of your particular life and/or annuity contract will provide you with much greater detail regarding these costs and benefits.

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

¹ MSCI Emerging Markets Index (MSCI EM) is a free float-adjusted market capitalization index that is designed to measure equity market performance of 23 emerging markets countries.

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TOP TEN EQUITY HOLDINGS*

June 30, 2016 (unaudited)

Naspers Ltd.	4.9%
Yes Bank Ltd.	3.3%
Tencent Holdings Ltd.	3.3%
Taiwan Semiconductor Manufacturing Co. Ltd.	2.8%
Credicorp Ltd.	2.8%
Robinsons Retail Holdings, Inc.	2.5%
Axis Bank Ltd.	2.5%
JD.com, Inc.	2.4%
BB Seguridade Participacoes S.A.	2.2%
Sinopharm Group Co. Ltd.	2.0%

**Percentage of net assets. Portfolio is subject to change.*

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including program fees on purchase payments; and (2) ongoing costs, including management fees and other Fund expenses. This disclosure is intended to help you understand the ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The disclosure is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period, January 1, 2016 to June 30, 2016.

Actual Expenses

The first line in the table below provides information about account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During the Period."

Hypothetical Example for Comparison Purposes

The second line in the table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as fees on purchase payments. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

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EXPLANATION OF EXPENSES

(unaudited) (continued)

	Beginning Account Value January 1, 2016	Ending Account Value June 30, 2016	Expenses Paid During the Period* January 1, 2016 - June 30, 2016
VanEck VIP Emerging Markets Fund			
Initial Class			
Actual	\$1,000.00	\$1,013.50	\$6.06
Hypothetical**	\$1,000.00	\$1,018.85	\$6.07
Class S			
Actual	\$1,000.00	\$1,016.40	\$2.86
Hypothetical**	\$1,000.00	\$1,005.50	\$2.84

* Expenses are equal to the Fund's annualized expense ratio (for the six months ended June 30, 2016), of 1.21% on Initial Class Shares and 1.70% on Class S Shares, multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year divided by the number of the days in the fiscal year (to reflect the one-half year period).

** Assumes annual return of 5% before expenses

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SCHEDULE OF INVESTMENTS

June 30, 2016 (unaudited)

Number of Shares	Value	Number of Shares	Value
COMMON STOCKS: 94.7%		China / Hong Kong: (continued)	
Brazil: 5.9%		213,000	Ping An Insurance Group Co. of China Ltd. # \$ 943,734
310,000	BB Seguridade Participacoes SA \$ 2,712,729	351,991	Shanghai International Airport Co. Ltd. # 1,388,431
90,000	Estacio Participacoes SA 475,174	184,000	Shenzhou International Group Holdings Ltd. # 889,762
34,000	Ouro Fino Saude Animal Participacoes SA 451,633	528,000	Sinopharm Group Co. Ltd. # 2,536,346
133,000	Smiles SA 1,986,947	535,000	Techtronic Industries Co. # 2,234,158
212,000	Valid Solucoes SA 1,814,899	179,000	Tencent Holdings Ltd. # 4,110,864
	7,441,382	6,360,000	Xinyi Solar Holdings Ltd. # 2,526,508
China / Hong Kong: 28.3%		487,987	Zhengzhou Yutong Bus Co. Ltd. # 1,464,575
265,000	AIA Group Ltd. # 1,590,199		35,555,409
12,335	Baidu, Inc. (ADR) * 2,037,125	Egypt: 1.1%	
3,642,000	Beijing Enterprises Water Group Ltd. # 2,210,293	305,750	Commercial International Bank Egypt SAE # 1,365,056
939,000	Boer Power Holdings Ltd. # 412,327	Hungary: 1.4%	
1,396,100	CAR, Inc. * # 1,364,973	87,000	Richter Gedeon Nyrt # 1,730,438
3,588,969	China Animal Healthcare Ltd. * # \$ 240,557	India: 17.3%	
25,000	China Lodging Group Ltd. (ADR) 910,750	309,000	Adani Ports & Special Economic Zone Ltd. # 951,733
800,000	China Maple Leaf Educational Systems Ltd. # 721,858	390,000	Axis Bank Ltd. # 3,099,014
878,000	China Medical System Holdings Ltd. # 1,347,927	244,000	Cadila Healthcare Ltd. # 1,192,287
1,818,000	EVA Precision Industrial Holdings Ltd. # 175,259	1,225,000	Dish TV India Ltd. * # 1,786,434
702,000	Fu Shou Yuan International Group Ltd. # 497,193	467,000	Fortis Healthcare Ltd. * # 1,096,507
486,000	Galaxy Entertainment Group Ltd. # 1,457,282	68,700	Glenmark Pharmaceuticals Ltd. # 817,181
142,900	JD.com, Inc. (ADR) * 3,033,767	59,000	HCL Technologies Ltd. # 639,762
27,000	Kweichow Moutai Co. Ltd. # 1,188,288		
488,000	Man Wah Holdings Ltd. # 702,806		
1,129,000	Phoenix Healthcare Group Co. Ltd. # 1,570,427		

See Notes to Financial Statements

VANECK VIP EMERGING MARKETS FUND

SCHEDULE OF INVESTMENTS

(unaudited) (continued)

Number of Shares	Value	Number of Shares	Value
India: (continued)		South Africa: (continued)	
79,000	HDFC Bank Ltd. \$ 1,599,430	40,300	Naspers Ltd. # \$ 6,153,608
222,000	LIC Housing Finance Ltd. # 1,634,778	112,000	Spar Group Ltd. 1,536,122
205,800	Phoenix Mills Ltd. 1,057,281		9,129,023
137,000	Strides Shasun Ltd. # 2,306,946	South Korea: 2.3%	
150,408	VA Tech Wabag Ltd. # 1,321,457	1,650	LG Household & Health Care Ltd. # 1,611,315
256,000	Yes Bank Ltd. # 4,198,522	14,380	Woongjin Coway Co. Ltd. # 1,309,336
	21,701,332		2,920,651
Indonesia: 2.2%		Spain: 1.6%	
3,191,000	Link Net Tbk PT # 983,406	116,000	CIE Automotive SA # 1,953,357
1,147,200	Matahari Department Store Tbk PT # 1,748,457	Switzerland: 1.8%	
	2,731,863	38,300	Luxoft Holding, Inc. (USD) * 1,992,366
Jordan: 1.3%		11,000	Wizz Air Holdings Plc (GBP) * # 235,867
51,000	Hikma Pharmaceuticals Plc (GBP) # 1,679,480		2,228,233
Kenya: 1.2%		Taiwan: 7.8%	
8,816,000	Safaricom Ltd. # 1,532,292	1,696,000	Advanced Semiconductor Engineering, Inc. # 1,929,531
Mexico: 1.4%		297,800	Aerospace Industrial Development Corp. # 408,484
476,000	Qualitas Controladora SAB de CV 675,628	149,000	Basso Industry Corp. # 424,382
432,000	Unifin Financiera SAPI de CV 1,082,449	205,000	Catcher Technology Co. Ltd. # 1,528,516
	1,758,077	7,000	Largan Precision Co. Ltd. # 647,382
Peru: 2.8%		123,420	Poya Co. Ltd. # 1,376,320
22,560	Credicorp Ltd. (USD) 3,481,685	698,000	Taiwan Semiconductor Manufacturing Co. Ltd. # 3,517,708
Philippines: 2.5%			9,832,323
1,703,000	Robinsons Retail Holdings, Inc. # 3,129,920	Thailand: 2.0%	
Russia: 1.1%		1,758,000	CP ALL PCL # 2,521,745
10,090	Magnit PJSC # 1,422,232		
South Africa: 7.3%			
585,000	Life Healthcare Group Holdings Ltd. # 1,439,293		

See Notes to Financial Statements

Number of Shares	Value	Number of Shares	Value
Turkey: 2.8%		REAL ESTATE INVESTMENT TRUST: 1.2%	
106,283 AvivaSA Emeklilik ve Hayat AS	\$ 704,982	(Cost: \$1,765,351)	
77,000 Tofas Türk Otomobil Fabrikasi AS #	633,124	Mexico: 1.2%	
4,769,079 Türkiye Sınai Kalkınma Bankası AS #	2,205,903	860,800 TF Administradora Industrial, S de RL de CV	\$ 1,464,757
	<u>3,544,009</u>	WARRANTS: 1.0%	
United Kingdom: 2.3%		Luxembourg: 1.0%	
48,000 BGEO Group Plc #	1,681,057	2,250 Deutsche Bank, London Branch, aXess Warrants (USD 0.00, expiring 09/27/16) * # (a)	32,806
1,235,312 Hirco Plc * # \$	0	222,333 Deutsche Bank, London Branch, aXess Warrants (USD 0.00, expiring 09/27/16) * # (b)	<u>1,188,454</u>
240,000 International Personal Finance Plc #	914,020	Total Warrants	
645,349 Raven Russia Ltd. *	320,022	(Cost: \$1,617,792)	
	<u>2,915,099</u>	<u>1,221,260</u>	
United States: 0.3%		Total Investments: 100.2%	
7,400 First Cash Financial Services, Inc.	<u>379,842</u>	(Cost: \$123,316,957)	
Total Common Stocks		125,836,005	
(Cost: \$115,320,391)		Liabilities in excess of other assets: (0.2)%	
<u>118,953,448</u>		<u>(264,129)</u>	
PREFERRED STOCKS: 3.3%		NET ASSETS: 100.0%	
Brazil: 1.0%		<u>\$125,571,876</u>	
141,600 Itau Unibanco Holding SA	<u>1,335,641</u>	ADR	American Depository Receipt
Colombia: 1.1%		GBP	British Pound
148,000 Banco Davivienda SA	<u>1,362,003</u>	USD	United States Dollar
South Korea: 1.2%			
1,453 Samsung Electronics Co. Ltd. #	<u>1,498,896</u>		
Total Preferred Stocks			
(Cost: \$4,613,423)			
<u>4,196,540</u>			

See Notes to Financial Statements

VANECK VIP EMERGING MARKETS FUND

SCHEDULE OF INVESTMENTS

(unaudited) (continued)

- (a) Issue price \$18.40. The security is linked to the performance of Almarai Co.
- (b) Issue price \$12.75. The security is linked to the performance of Samba Financial Group.
- * Non-income producing
- # Indicates a fair valued security which has been valued in good faith pursuant to guidelines established by the Board of Trustees. The aggregate value of fair valued securities is \$95,420,773 which represents 76.0% of net assets.
- § Illiquid Security — the aggregate value of illiquid securities is \$240,557 which represents 0.2% of net assets.
- Reg S Security was purchased pursuant to Regulation S under the Securities Act of 1933, which exempts from registration securities offered and sold outside of the United States. Such a security cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration.
- 144A Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended, or otherwise restricted. These securities may be resold in transactions exempt from registration, unless otherwise noted, and the value amounted to \$235,867, or 0.2% of net assets.

Summary of Investments by Sector (unaudited)	% of Investments	Value
Consumer Discretionary	22.5%	\$ 28,294,715
Consumer Staples	9.1	11,442,428
Financials	27.8	34,997,186
Health Care	13.1	16,409,022
Industrials	6.5	8,216,548
Information Technology	16.2	20,428,658
Telecommunication Services	2.0	2,515,698
Utilities	2.8	3,531,750
	<u>100.0%</u>	<u>\$125,836,005</u>

The summary of inputs used to value the Fund's investments as of June 30, 2016 is as follows:

	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Value
Common Stocks				
Brazil	\$ 7,441,382	\$ —	\$ —	\$ 7,441,382
China / Hong Kong	5,981,642	29,333,210	240,557	35,555,409
Egypt	—	1,365,056	—	1,365,056
Hungary	—	1,730,438	—	1,730,438
India	2,656,711	19,044,621	—	21,701,332
Indonesia	—	2,731,863	—	2,731,863
Jordan	—	1,679,480	—	1,679,480
Kenya	—	1,532,292	—	1,532,292

See Notes to Financial Statements

	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Value
Common Stocks (continued)				
Mexico	\$ 1,758,077	\$ —	\$ —	\$ 1,758,077
Peru	3,481,685	—	—	3,481,685
Philippines	—	3,129,920	—	3,129,920
Russia	—	1,422,232	—	1,422,232
South Africa	1,536,122	7,592,901	—	9,129,023
South Korea	—	2,920,651	—	2,920,651
Spain	—	1,953,357	—	1,953,357
Switzerland	1,992,366	235,867	—	2,228,233
Taiwan	—	9,832,323	—	9,832,323
Thailand	—	2,521,745	—	2,521,745
Turkey	704,982	2,839,027	—	3,544,009
United Kingdom	320,022	2,595,077	0	2,915,099
United States	379,842	—	—	379,842
Preferred Stocks				
Brazil	1,335,641	—	—	1,335,641
Colombia	1,362,003	—	—	1,362,003
South Korea	—	1,498,896	—	1,498,896
Real Estate Investment Trust*	1,464,757	—	—	1,464,757
Warrants*	—	1,221,260	—	1,221,260
Total	\$30,415,232	\$95,180,216	\$240,557	\$125,836,005

* See Schedule of Investments for security type and geographic sector breakdowns.

During the period ended June 30, 2016, transfers of securities from Level 1 to Level 2 were \$2,512,257 and transfers from Level 2 to Level 1 were \$12,179,604. These transfers resulted primarily from changes in certain foreign securities valuation methodologies between the last close of the securities' primary market (Level 1) and valuation by the pricing service (Level 2), which takes into account market direction or events occurring before the Fund's pricing time but after the last local close, as described in the Notes to Financial Statements.

The following table reconciles the valuation of the Fund's Level 3 investment securities and related transactions during the period ended June 30, 2016:

	Common Stocks	
	China / Hong Kong	United Kingdom
Balance as of December 31, 2015	\$ 602,017	\$ 0
Realized gain (loss)	—	—
Net change in unrealized appreciation (depreciation)	(361,460)	0
Purchases	—	—
Sales	—	—
Transfers in and/or out of level 3	—	—
Balance as of June 30, 2016	<u>\$ 240,557</u>	<u>\$ 0</u>

See Notes to Financial Statements

VANECK VIP EMERGING MARKETS FUND

STATEMENT OF ASSETS AND LIABILITIES

June 30, 2016 (unaudited)

Assets:

Investments, at value (Cost \$123,316,957)	\$125,836,005
Cash denominated in foreign currency, at value (Cost \$1,893,779)	1,774,860
Receivables:	
Shares of beneficial interest sold	49,367
Dividends	228,474
Prepaid expenses	398
Total assets	<u>127,889,104</u>

Liabilities:

Payables:	
Shares of beneficial interest redeemed	20,381
Due to Adviser	100,219
Due to Distributor	2
Deferred Trustee fees	55,904
Accrued expenses	2,140,722
Total liabilities	<u>2,317,228</u>

NET ASSETS \$125,571,876

Initial Class Shares:

Net Assets	<u>\$125,561,703</u>
Shares of beneficial interest outstanding	<u>11,923,147</u>
Net asset value, redemption and offering price per share	<u>\$ 10.53</u>

Class S Shares:

Net Assets	<u>\$ 10,173</u>
Shares of beneficial interest outstanding	<u>967</u>
Net asset value, redemption and offering price per share	<u>\$ 10.52</u>

Net Assets consist of:

Aggregate paid in capital	\$132,724,306
Net unrealized appreciation	2,296,414
Undistributed net investment income	602,759
Accumulated net realized loss	(10,051,603)
	<u>\$125,571,876</u>

VANECK VIP EMERGING MARKETS FUND

STATEMENT OF OPERATIONS

For the Six Months Ended June 30, 2016 (unaudited)

Income:

Dividends (net of foreign taxes withheld of \$106,000)	\$ 1,373,323
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Expenses:

Management fees	\$596,489	
Distribution fees — Class S Shares	4	
Transfer agent fees — Initial Class Shares	13,195	
Transfer agent fees — Class S Shares	4	
Custodian fees	34,507	
Professional fees	34,262	
Reports to shareholders	22,407	
Insurance	5,092	
Trustees' fees and expenses	7,439	
Interest	1,226	
Other	8,782	
	723,407	
Total expenses		649,916

Net investment income	649,916
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Net realized loss on:

Investments (net of foreign taxes of \$11,385)	(9,434,381)
Foreign currency transactions and foreign denominated assets and liabilities	(21,217)
Net realized loss	(9,455,598)

Net change in unrealized appreciation (depreciation) on:

Investments (net of foreign taxes of \$97,363)	10,354,605
Foreign currency transactions and foreign denominated assets and liabilities	(126,729)
Net change in unrealized appreciation (depreciation)	10,227,876

Net Increase in Net Assets Resulting from Operations	\$ 1,422,194
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VANECK VIP EMERGING MARKETS FUND
STATEMENT OF CHANGES IN NET ASSETS

	Six Months Ended June 30, 2016 (unaudited)	Year Ended December 31, 2015
Operations:		
Net investment income	\$ 649,916	\$ 1,067,753
Net realized gain (loss)	(9,455,598)	169,335
Net change in unrealized appreciation (depreciation)	<u>10,227,876</u>	<u>(23,176,667)</u>
Net increase (decrease) in net assets resulting from operations	<u>1,422,194</u>	<u>(21,939,579)</u>
Dividends and Distributions to shareholders from:		
Net investment income		
Initial Class Shares	(572,076)	(799,151)
Net realized capital gains		
Initial Class Shares	<u>(619,749)</u>	<u>(7,885,742)</u>
Total dividends and distributions	<u>(1,191,825)</u>	<u>(8,684,893)</u>
Share transactions*:		
Proceeds from sale of shares		
Initial Class Shares	9,575,291	35,539,992
Class S Shares†	<u>10,010</u>	<u>—</u>
	<u>9,585,301</u>	<u>—</u>
Reinvestment of dividends and distributions		
Initial Class Shares	1,191,825	8,684,893
Cost of shares redeemed		
Initial Class Shares	<u>(13,460,715)</u>	<u>(39,011,493)</u>
Net increase (decrease) in net assets resulting from share transactions	<u>(2,683,589)</u>	<u>5,213,392</u>
Total decrease in net assets	<u>(2,453,220)</u>	<u>(25,411,080)</u>
Net Assets:		
Beginning of period	<u>128,025,096</u>	<u>153,436,176</u>
End of period (including undistributed net investment income of \$602,759 and \$524,919, respectively)	<u>\$125,571,876</u>	<u>\$128,025,096</u>
* Shares of beneficial interest issued, reinvested and redeemed (unlimited number of \$.001 par value shares authorized):		
Initial Class Shares:		
Shares sold	977,126	2,848,951
Shares reinvested	126,925	714,218
Shares redeemed	<u>(1,368,743)</u>	<u>(3,222,848)</u>
Net increase (decrease)	<u>(264,692)</u>	<u>340,321</u>
Class S Shares†:		
Shares sold	967	
Shares reinvested	—	
Shares redeemed	<u>—</u>	
Net increase	<u>967</u>	

† Inception date of Class S Shares was May 1, 2016.

See Notes to Financial Statements

VANECK VIP EMERGING MARKETS FUND

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period:

	For the Six Months Ended June 30, 2016 (unaudited)	Initial Class Shares				
		Year Ended December 31,				
		2015	2014	2013	2012	2011
Net asset value, beginning of period	\$10.50	\$12.95	\$14.90	\$13.50	\$10.40	\$14.14
Income from investment operations:						
Net investment income	0.06	0.09	0.10	0.07	0.07	0.05(b)
Net realized and unrealized gain (loss) on investments	0.07	(1.80)	(0.23)	1.54	3.03	(3.66)
Total from investment operations	0.13	(1.71)	(0.13)	1.61	3.10	(3.61)
Less dividends and distributions from:						
Net investment Income	(0.05)	(0.07)	(0.08)	(0.21)	—	(0.13)
Net realized capital gains	(0.05)	(0.67)	(1.74)	—	—	—
Total dividends and distributions	(0.10)	(0.74)	(1.82)	(0.21)	—	(0.13)
Redemption fees	—	—	—	—	—(c)	—(c)
Net asset value, end of period	\$10.53	\$10.50	\$12.95	\$14.90	\$13.50	\$10.40
Total return (a)	1.35%(d)	(13.99)%	(0.41)%	12.02%	29.81%	(25.74)%

Ratios/Supplemental Data

Net assets, end of period (000's)	\$125,562	\$128,025	\$153,436	\$167,932	\$171,456	\$108,286
Ratio of gross expenses to average net assets	1.21%(e)	1.14%	1.17%	1.23%	1.23%	1.26%
Ratio of net expenses to average net assets	1.21%(e)	1.14%	1.17%	1.23%	1.23%	1.26%
Ratio of net expenses, excluding interest expense, to average net assets	1.21%(e)	1.13%	1.17%	1.22%	1.23%	1.26%
Ratio of net investment income to average net assets	1.09%(e)	0.71%	0.69%	0.56%	0.55%	0.36%
Portfolio turnover rate	24%(d)(f)	65%	85%	83%	93%	95%

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

(b) Calculated based upon average shares outstanding

(c) Amount represents less than \$0.005 per share

(d) Not annualized

(e) Annualized

(f) Portfolio turnover is calculated at the fund level and represents a six month period

See Notes to Financial Statements

VANECK VIP EMERGING MARKETS FUND

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period:

	Class S Shares
	May 1, 2016 (a)
	through
	June 30,
	2016
	(unaudited)
Net asset value,	
beginning of period	\$10.35
Income from investment operations:	
Net investment income	0.02
Net realized and unrealized gain (loss) on investments	0.15
Total from investment operations	0.17
Net asset value, end of period	<u>\$10.52</u>
Total return (b)	1.64%(c)

Ratios/Supplemental Data

Net assets, end of period (000's)	\$ 10
Ratio of gross expenses to average net assets	1.70%(d)
Ratio of net expenses to average net assets	1.70%(d)
Ratio of net expenses, excluding interest expense, to average net assets	1.70%(d)
Ratio of net investment income to average net assets	1.34%(d)
Portfolio turnover rate	24%(c)(e)

- (a) Commencement of operations
- (b) Total return is calculated assuming an initial investment made at the net asset value at the beginning of period, reinvestment of any dividends and distributions at net asset value on the dividend/distribution payment date and a redemption at the net asset value on the last day of the period. The return does not reflect the deduction of taxes that a shareholder would pay on Fund dividends/distributions or the redemption of Fund shares.
- (c) Not annualized
- (d) Annualized
- (e) Portfolio turnover is calculated at the fund level and represents a six month period

Note 1—Fund Organization—VanEck VIP Trust (formerly Van Eck VIP Trust) (the “Trust”) is registered under the Investment Company Act of 1940, as amended, as an open-end management investment company. The Trust was organized as a Massachusetts business trust on January 7, 1987. The VanEck VIP Emerging Markets Fund (the “Fund”) is a diversified series of the Trust and seeks long-term capital appreciation by investing primarily in equity securities in emerging markets around the world. The Fund currently offers two classes of shares. The two classes are identical except Class S Shares are subject to a distribution fee. Class S Shares commenced operations on May 1, 2016.

Note 2—Significant Accounting Policies—The preparation of financial statements in conformity with U.S. generally accepted accounting principles (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

The Fund is an investment company and is following accounting and reporting requirements of Accounting Standards Codification (“ASC”) 946 Financial Services - Investment Companies.

The following is a summary of significant accounting policies followed by the Fund.

A. Security Valuation—The Fund values its investments in securities and other assets and liabilities carried at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. Securities traded on national exchanges or traded on the NASDAQ National Market System are valued at the last sales price as reported at the close of each business day. Securities traded on the NASDAQ Stock Market are valued at the NASDAQ official closing price. Over-the-counter securities not included in the NASDAQ National Market System and listed securities for which no sale was reported are valued at the mean of the bid and ask prices. To the extent these securities are actively traded they are categorized as Level 1 in the fair value hierarchy (as described below). Certain foreign securities, whose values may be affected by market direction or events occurring before the Fund’s pricing time (4:00 p.m. Eastern Time) but after the last close of the securities’ primary market, are fair valued using a pricing service and are categorized as Level 2 in the fair value hierarchy. The pricing service considers the correlation of the trading patterns of the foreign security to intraday trading in the U.S. markets, based on indices of domestic securities and other appropriate indicators such as prices of relevant ADR’s and futures contracts. The Fund may also fair value

VANECK VIP EMERGING MARKETS FUND

NOTES TO FINANCIAL STATEMENTS

(unaudited) (continued)

securities in other situations, such as, when a particular foreign market is closed but the Fund is open. Short-term obligations with more than sixty days remaining to maturity are valued at market value. Short-term obligations with sixty days or less to maturity are valued at amortized cost, which with accrued interest approximates fair value. Money market fund investments are valued at net asset value and are categorized as Level 1 in the fair value hierarchy. Securities for which quotations are not available are stated at fair value as determined by the Pricing Committee of Van Eck Associates Corporation (the “Adviser”). The Pricing Committee provides oversight of the Fund’s valuation policies and procedures, which are approved by the Fund’s Board of Trustees. Among other things, these procedures allow the Fund to utilize independent pricing services, quotations from securities dealers, and other market sources to determine fair value. The Pricing Committee convenes regularly to review the fair value of financial instruments for which market prices are not readily available. The Pricing Committee employs various methods for calibrating the valuation approaches utilized to determine fair value, including a regular review of key inputs and assumptions, transactional back-testing and disposition analysis.

Certain factors such as economic conditions, political events, market trends, the nature of and duration of any restrictions on disposition, trading in similar securities of the issuer or comparable issuers and other security specific information are used to determine the fair value for these securities. Depending on the relative significance of valuation inputs, these securities may be classified either as Level 2 or Level 3 in the fair value hierarchy. The price which the Fund may realize upon sale of an investment may differ materially from the value presented in the Schedule of Investments.

The Fund utilizes various methods to measure the fair value of its investments on a recurring basis which includes a hierarchy that prioritizes inputs to valuation methods used to measure fair value. The fair value hierarchy gives highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The transfers between levels of the fair value hierarchy assume the financial instruments were transferred at the beginning of the reporting period. The three levels of the fair value hierarchy are described below:

Level 1 – Quoted prices in active markets for identical securities.

Level 2 – Significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 – Significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments).

A summary of the inputs, the levels used to value the Fund's investments, and transfers between levels are located in the Schedule of Investments. Additionally, tables that reconcile the valuation of the Fund's Level 3 investments and that present additional information about valuation methodologies and unobservable inputs, if applicable, are located in the Schedule of Investments.

B. Federal Income Taxes—It is the Fund's policy to comply with the provisions of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its taxable income to its shareholders. Therefore, no federal income tax provision is required.

C. Currency Translation—Assets and liabilities denominated in foreign currencies and commitments under foreign currency contracts are translated into U.S. dollars at the closing prices of such currencies each business day. Purchases and sales of investments are translated at the exchange rates prevailing when such investments are acquired or sold. Income and expenses are translated at the exchange rates prevailing when accrued. The portion of realized and unrealized gains and losses on investments that result from fluctuations in foreign currency exchange rates is not separately disclosed. Recognized gains or losses attributable to foreign currency fluctuations on foreign currency denominated assets, other than investments, and liabilities are recorded as net realized gain (loss) on foreign currency transactions and foreign denominated assets and liabilities in the Statement of Operations.

D. Dividends and Distributions to Shareholders—Dividends to shareholders from net investment income and distributions from net realized capital gains, if any, are declared and paid annually. Income dividends and capital gain distributions are determined in accordance with U.S. income tax regulations, which may differ from such amounts determined in accordance with GAAP.

E. Restricted Securities—The Fund may invest in securities that are subject to legal or contractual restrictions on resale. These securities generally may be resold in transactions exempt from registration or to the public if the securities are registered. Disposal of these securities may involve time-consuming negotiations and expense, and prompt sale at an acceptable

VANECK VIP EMERGING MARKETS FUND

NOTES TO FINANCIAL STATEMENTS

(unaudited) (continued)

price may be difficult. Information regarding restricted securities, if any, is included at the end of the Fund's Schedule of Investments.

F. Warrants—The Fund may invest in warrants whose values are linked to indices or underlying instruments. The Fund may use these warrants to gain exposure to markets that might be difficult to invest in through conventional securities. Warrants may be more volatile than their linked indices or underlying instruments. Potential losses are limited to the amount of the original investment. The Fund has invested in aXess warrants that are linked to the shares of an underlying security and are issued by Deutsche Bank AG London. The warrants are obligations of the issuer and are not secured by any collateral. The warrants may be exercised by the Fund during the exercise period. If the warrants have not been exercised on the last day of the exercise period, the warrants will be automatically exercised on that day. Warrants held at June 30, 2016 are reflected in the Schedule of Investments.

G. Use of Derivative Instruments—The Fund may make investments in derivative instruments, including, but not limited to, options, futures, swaps and other derivatives relating to foreign currency transactions. A derivative is an instrument whose value is derived from underlying assets, indices, reference rates or a combination of these factors. Derivative instruments may be privately negotiated contracts (often referred to as over-the-counter ("OTC") derivatives) or they may be listed and traded on an exchange. Derivative contracts may involve future commitments to purchase or sell financial instruments or commodities at specified terms on a specified date, or to exchange interest payment streams or currencies based on a notional or contractual amount. Derivative instruments may involve a high degree of financial risk. The use of derivative instruments also involves the risk of loss if the investment adviser is incorrect in its expectation of the timing or level of fluctuations in securities prices, interest rates or currency prices. Investments in derivative instruments also include the risk of default by the counterparty, the risk that the investment may not be liquid and the risk that a small movement in the price of the underlying security or benchmark may result in a disproportionately large movement, unfavorable or favorable, in the price of the derivative instrument. The Fund held no derivative instruments during the period ended June 30, 2016.

H. Other—Security transactions are accounted for on trade date. Dividend income is recorded on the ex-dividend date except that certain dividends from foreign securities are recognized upon notification of the ex-dividend date. Realized gains and losses are calculated on the specific identified cost basis. Interest income, including amortization of premiums and discounts,

is accrued as earned. The Fund received redemption fees from Class R1 Shares prior to its closing on April 30, 2012 which are reflected in the Financial Highlights.

In the normal course of business, the Fund enters into contracts that contain a variety of general indemnifications. The Fund's maximum exposure under these agreements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. However, the Adviser believes the risk of loss under these arrangements to be remote.

Note 3—Investment Management and Other Agreements—The Adviser is the investment adviser to the Fund. The Adviser receives a management fee, calculated daily and payable monthly based on an annual rate of 1.00% of the Fund's average daily net assets. The Adviser has agreed, at least until May 1, 2017, to waive management fees and/or assume expenses (excluding acquired fund fees and expenses, interest expense, trading expenses, dividends and interest payments on securities sold short, taxes, and extraordinary expenses) from exceeding 1.50% of average daily net assets for Initial Class Shares and 1.75% of average daily net assets for Class S Shares. For the period ended June 30, 2016, no management fees were waived nor were any expenses assumed by the Adviser. Certain of the officers and trustees of the Trust are officers, directors or stockholders of the Adviser and Van Eck Securities Corporation (the "Distributor").

Note 4—12b-1 Plan of Distribution—The Trust and the Distributor are parties to a distribution agreement dated May 1, 2006. The Fund has adopted a Distribution Plan (the "Plan") in accordance with Rule 12b-1 under the 1940 Act. Pursuant to the Plan, the Fund is authorized to incur distribution expenses which will principally be payments to securities dealers who have sold shares and serviced shareholder accounts and payments to the Distributor for reimbursement of other actual promotion and distribution expenses incurred by the Distributor on behalf of the Fund. The amount paid in any one year is 0.25% of average daily net assets.

Note 5—Investments—For the period ended June 30, 2016, the cost of purchases and proceeds from sales of investments, excluding U.S. government securities and short-term obligations, aggregated \$28,946,779 and \$30,447,888, respectively.

Note 6—Income Taxes—For Federal income tax purposes, the identified cost of investments owned at June 30, 2016 was \$123,913,634 and net unrealized appreciation aggregated to \$1,922,371 of which \$16,942,010 related to appreciated securities and \$15,019,639 related to depreciated securities.

VANECK VIP EMERGING MARKETS FUND

NOTES TO FINANCIAL STATEMENTS

(unaudited) (continued)

The tax character of dividends and distributions paid to shareholders for the year ended December 31, 2015 was as follows:

Ordinary income	\$ 799,151
Long-term capital gains	<u>7,885,742</u>
	<u>\$8,684,893</u>

The tax character of current year distributions will be determined at the end of the current fiscal year.

The Fund recognizes the tax benefits of uncertain tax positions only where the position is “more-likely-than-not” to be sustained assuming examination by applicable tax authorities. Management has analyzed the Fund’s tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on return filings for all open tax years. The Fund does not have exposure for additional years that might still be open in certain foreign jurisdictions. Therefore, no provision for income tax is required in the Fund’s financial statements. However, the Fund is subject to foreign taxes on the appreciation in value of certain investments. The Fund provides for such taxes on both realized and unrealized appreciation.

The Fund recognizes interest and penalties, if any, related to uncertain tax positions as income tax expense in the Statement of Operations. During the period ended June 30, 2016, the Fund did not incur any interest or penalties.

Note 7—Concentration of Risk—The Fund may purchase securities on foreign exchanges. Securities of foreign issuers involve special risks and considerations not typically associated with investing in U.S. issuers. These risks include devaluation of currencies, less reliable information about issuers, different securities transaction clearance and settlement practices, and future adverse political and economic developments. These risks are heightened for investments in emerging market countries. Moreover, securities of many foreign issuers and their markets may be less liquid and their prices more volatile than those of comparable U.S. issuers.

As a result of recent events involving Ukraine and the Russian Federation, the United States and the European Union have imposed sanctions on certain Russian individuals and companies. These sanctions do not currently impact the Fund. Additional economic sanctions may be imposed or other actions may be taken that may adversely affect the value and liquidity of the Russian-related issuers’ held by the Fund.

Further, the United Kingdom recently decided to leave the European Union (“EU”), creating economic and political uncertainty in its wake. Significant uncertainty exists regarding the timing of the United Kingdom’s withdrawal

from the EU and the effects such withdrawal will have on the Euro, European economies and the global markets. This may further impact the value of the Euro and the British pound sterling, and has caused volatility and uncertainty in European and global markets.

At June 30, 2016, the Adviser owns 100% of the Fund's Class S Shares. The aggregate shareholder accounts of three insurance companies own approximately 68%, 13% and 5% of the Initial Class Shares.

Note 8—Trustee Deferred Compensation Plan—The Trust has a Deferred Compensation Plan (the “Deferred Plan”) for Trustees under which the Trustees can elect to defer receipt of their trustee fees until retirement, disability or termination from the Board of Trustees. The fees otherwise payable to the participating Trustees are deemed invested in shares of eligible Funds of the Trust and the VanEck Funds (another registered investment company managed by the Adviser) as directed by the Trustees.

The expense for the Deferred Plan is included in “Trustees’ fees and expenses” in the Statement of Operations. The liability for the Deferred Plan is shown as “Deferred Trustee fees” in the Statement of Assets and Liabilities.

Note 9—Bank Line of Credit—The Trust participates with VanEck Funds (collectively the “VE/VIP Funds”) in a \$30 million committed credit facility (the “Facility”) to be utilized for temporary financing until the settlement of sales or purchases of portfolio securities, the repurchase or redemption of shares of the Fund and other temporary or emergency purposes. The participating VE/VIP Funds have agreed to pay commitment fees, pro rata, based on the unused but available balance. Interest is charged to the VE/VIP Funds at rates based on prevailing market rates in effect at the time of borrowings. During the period ended June 30, 2016, the average daily loan balance during the 57 day period for which a loan was outstanding amounted to \$860,030 and the average interest rate was 1.69%. At June 30, 2016, the Fund had an outstanding loan balance of \$1,941,407.

Note 10—Subsequent Event Review—The Fund has evaluated subsequent events and transactions for potential recognition or disclosure through the date the financial statements were issued.

**VANECK VIP EMERGING MARKETS FUND
(the “Fund”)**

The Investment Company Act of 1940, as amended (the “1940 Act”), provides, in substance, that an investment advisory agreement between a fund and its investment adviser may be entered into only if it is approved, and may continue in effect from year to year after an initial two-year period only if its continuance is approved, at least annually by the fund’s board of trustees, including by a vote of a majority of the trustees who are not “interested persons” of the fund as defined in the 1940 Act (the “Independent Trustees”), cast in person at a meeting called for the purpose of considering such approval. On June 23, 2016, the Board of Trustees (the “Board”) of VanEck VIP Trust (the “Trust”), which is comprised exclusively of Independent Trustees, voted to approve the continuation of the existing advisory agreement (the “Advisory Agreement”) between the Fund and its investment adviser, Van Eck Associates Corporation (together with its affiliated companies, the “Adviser”). Information regarding the material factors considered and related conclusions reached by the Board in approving the continuation of the Advisory Agreement is set forth below.

In considering the continuation of the Advisory Agreement, the Board reviewed and considered information that had been provided by the Adviser throughout the year at meetings of the Board and its committees, including information requested by the Board and furnished by the Adviser for meetings of the Board held on June 2, 2016 and June 22 and 23, 2016 specifically for the purpose of considering the continuation of the Advisory Agreement. The written and oral reports provided to the Board included, among other things, the following:

- Information about the overall organization of the Adviser and the Adviser’s short-term and long-term business plans with respect to its mutual fund operations and other lines of business;
- The consolidated financial statements of the Adviser for the past two fiscal years;
- A copy of the Advisory Agreement and descriptions of the services provided by the Adviser thereunder;
- Information regarding the qualifications, education and experience of the investment professionals responsible for portfolio management, investment research and trading activities for the

Fund, the structure of their compensation and the resources available to support these activities;

- A report prepared by an independent consultant comparing the Fund's investment performance (including, where relevant, total returns, standard deviations, Sharpe ratios, information ratios, beta and alpha) with respect to a representative class of shares of the Fund for the one-, three-, five- and ten-year periods ended March 31, 2016 with those of (i) a universe of mutual funds selected by the independent consultant with similar portfolio holding characteristics, share class attributes and other operational characteristics as the Fund (the "Category"), (ii) a sub-group of funds selected from the Category by the independent consultant further limited to approximate more closely the Fund's investment style, expense structure and asset size (the "Peer Group") and (iii) an appropriate benchmark index;
- A report prepared by an independent consultant comparing the advisory fees and other expenses of a representative class of shares of the Fund during its fiscal year ended December 31, 2015 with a similar share class of each fund in the (i) Category and (ii) Peer Group;
- An analysis of the profitability of the Adviser with respect to its services for the Fund and the VanEck complex of mutual funds as a whole (the "VanEck Complex");
- Information regarding other investment products and services offered by the Adviser involving investment objectives and strategies similar to the Fund ("Comparable Products"), including the fees charged by the Adviser for managing the Comparable Products, a description of material differences and similarities in the services provided by the Adviser for the Fund and the Comparable Products, the sizes of the Comparable Products and the identity of the individuals responsible for managing the Comparable Products;
- Information concerning the Adviser's compliance program, the resources devoted to compliance efforts undertaken by the Adviser on behalf of the Fund, and reports regarding a variety of compliance-related issues;
- Information with respect to the Adviser's brokerage practices, including the Adviser's processes for monitoring best execution of

APPROVAL OF ADVISORY AGREEMENT

(unaudited) (continued)

portfolio transactions and the benefits received by the Adviser from research acquired with soft dollars;

- Information regarding the procedures used by the Adviser in monitoring the valuation of portfolio securities, including the methodologies used in making fair value determinations, and the Adviser's due diligence process for recommending the selection of pricing vendors and monitoring the quality of the inputs provided by such vendors;
- Information regarding how the Adviser safeguards the confidentiality and integrity of its data and files (both physical and electronic), as well as of any communications with third parties containing Fund and shareholder information, including reports regarding the Adviser's cybersecurity framework and its implementation, the identification and monitoring of cybersecurity risks (including the risks that arise out of arrangements with third party service providers), the Adviser's cybersecurity response policy which is being finalized and will document the Adviser's processes for the suitable escalation, remediation and communication of a cybersecurity event and other initiatives of the Adviser to mitigate cybersecurity risks;
- Information regarding the Adviser's policies and practices with respect to personal investing by the Adviser and its employees, including reports regarding the administration of the Adviser's code of ethics and the Adviser's policy with respect to investments in the Fund by the Adviser's investment personnel;
- Descriptions of the processes that the Adviser uses to evaluate and monitor the liquidity of fixed-income instruments and information regarding the actions the Adviser has taken with respect to risk management and disclosure matters relating to changing fixed income market conditions;
- Descriptions of sub-transfer agency, omnibus account and other shareholder servicing arrangements for the Fund with intermediaries (collectively, "Servicing Arrangements"), including a description of the services provided by the intermediaries pursuant to such Servicing Arrangements and the payment terms of the Servicing Arrangements, as well as reports regarding the amounts paid pursuant to the Servicing Arrangements and the amounts paid to intermediaries with respect to the Fund by the

Adviser pursuant to any revenue sharing arrangements and Servicing Arrangements (to the extent not paid by the Fund);

- Descriptions of other administrative and other non-investment management services provided by the Adviser for the Fund, including the Adviser's activities in managing relationships with the Fund's custodian, transfer agent and other service providers; and
- Other information provided by the Adviser in its response to a comprehensive questionnaire prepared by independent legal counsel on behalf of the Independent Trustees.

In determining whether to approve the continuation of the Advisory Agreement, the Board considered, among other things, the following: (1) the nature, quality, extent and cost of the investment management, administrative and other non-investment management services provided by the Adviser; (2) the nature, quality and extent of the services performed by the Adviser in interfacing with, and monitoring the services performed by, third parties, such as the Fund's custodian, transfer agent, sub-transfer agents and independent auditor, and the Adviser's commitment and efforts to review the quality and pricing of third party service providers to the Fund with a view to reducing non-management expenses of the Fund; (3) the terms of the Advisory Agreement and the services performed thereunder; (4) the willingness of the Adviser to reduce the overall expenses of the Fund from time to time, if necessary or appropriate, by means of waiving a portion of its fees or paying expenses of the Fund; (5) the quality of the services, procedures and processes used to determine the value of the Fund's assets and the actions taken to monitor and test the effectiveness of such services, procedures and processes; (6) the ongoing efforts of, and resources devoted by, the Adviser with respect to the development and implementation of a comprehensive compliance program; (7) the responsiveness of the Adviser to inquiries from, and examinations by, regulatory authorities, including the Securities and Exchange Commission; (8) the resources committed by the Adviser in recent periods to information technology and cybersecurity; and (9) the ability of the Adviser to attract and retain quality professional personnel to perform investment advisory and administrative services for the Fund.

The Board considered the fact that the Adviser is managing other investment products, including exchange-traded funds, hedge funds, separate accounts and UCITs, one or more of which may invest in the

APPROVAL OF ADVISORY AGREEMENT

(unaudited) (continued)

same financial markets and may be managed by the same investment professionals according to a similar investment objective and/or strategy as the Fund. The Board concluded that the management of these products contributes to the Adviser's financial stability and is helpful to the Adviser in attracting and retaining quality portfolio management personnel for the Fund. In addition, the Board concluded that the Adviser has established appropriate procedures to monitor conflicts of interest involving the management of the Fund and the other products and for resolving any such conflicts of interest in a fair and equitable manner.

The performance data and the advisory fee and expense ratio data described below for the Fund is based on data for a representative class of shares of the Fund. The performance data is net of expenses for periods on an annualized basis ended March 31, 2016, and the advisory fee and expense ratio data is as of the Fund's fiscal year end of December 31, 2015.

Performance. The Board noted, based on a review of comparative annualized total returns, that the Fund had outperformed its Category and Peer Group medians, as well as its benchmark index, over the three-, five- and ten-year periods, but had underperformed its Category and Peer Group medians and its benchmark index for the one-year period. The Board concluded that the performance of the Fund was satisfactory.

Fees and Expenses. The Board noted that the advisory fee rate and the total expense ratio, net of waivers or reimbursements, for the Fund were lower than the median advisory fee rates and the median expense ratios for its Category and Peer Group. The Board also noted that the Adviser has agreed to waive fees or pay expenses of the Fund through April 2017 to the extent necessary to prevent the expense ratio of the Fund from exceeding a specified maximum amount (subject to certain exclusions). On the basis of the foregoing, and in light of the nature, extent and quality of the services provided by the Adviser, the Board concluded that the advisory fee rate charged to the Fund is reasonable.

Profitability and Economies of Scale. The Board considered the profits, if any, realized by the Adviser from managing the Fund and other mutual funds in the VanEck Complex and the methodology used to determine such profits. The Board noted that the levels of profitability reported on a fund-by-fund basis varied widely depending

on such factors as the size, type of fund and operating history. The Board further noted that, in evaluating the reasonableness of the Adviser's profits from managing any particular Fund, it would be appropriate to consider the size of the Adviser relative to other firms in the investment management industry and the impact on the Adviser's profits of the volatility of the markets in which the Funds invest and the volatility of cash flows into and out of the Funds through various market cycles. Based on its review of the foregoing information, and in light of the nature, extent and quality of the services provided by the Adviser, the Board concluded that the profits realized by the Adviser, if any, are deemed not to be excessive. In this regard, the Board also considered the extent to which the Adviser may realize economies of scale, if any, as the Fund grows and whether the Fund's fee schedule reflects any economies of scale for the benefit of shareholders. The Board concluded that, with respect to the Fund, any economies of scale being realized are currently being shared by the Adviser and the Fund, and that adding breakpoints would not be warranted at this time for the Fund.

Conclusion. In determining the material factors to be considered in evaluating the Advisory Agreement and the weight to be given to such factors, the members of the Board relied upon the advice of independent legal counsel and their own business judgment. The Board did not consider any single factor as controlling in determining whether to approve the continuation of the Advisory Agreement and each member of the Board may have placed varying emphasis on particular factors considered in reaching a conclusion. Moreover, this summary description does not necessarily identify all of the factors considered or conclusions reached by the Board. Based on its consideration of the foregoing factors and conclusions, and such other factors and conclusions as it deemed relevant, the Board (comprised exclusively of Independent Trustees) concluded that the continuation of the Advisory Agreement is in the interests of shareholders and, accordingly, the Board approved the continuation of the Advisory Agreement for an additional one-year period.

This report is intended for the Fund's shareholders. It may not be distributed to prospective investors unless it is preceded or accompanied by the Fund's prospectus, which includes more complete information. An investor should consider the investment objective, risks, and charges and expenses of the Fund carefully before investing. The prospectus contains this and other information about the investment company. Please read the prospectus carefully before investing.

Additional information about the VanEck VIP Trust's (the "Trust") Board of Trustees/Officers and a description of the policies and procedures the Trust uses to determine how to vote proxies relating to portfolio securities are provided in the Statement of Additional Information. The Statement of Additional Information and information regarding how the Trust voted proxies relating to portfolio securities during the most recent twelve month period ending June 30 is available, without charge, by calling 800.826.2333, or by visiting vaneck.com, or on the Securities and Exchange Commission's website at <http://www.sec.gov>.

The Trust files its complete schedule of portfolio holdings with the Securities and Exchange Commission for the first and third quarters of each fiscal year on Form N-Q. The Trust's Form N-Qs are available on the Commission's website at <http://www.sec.gov> and may be reviewed and copied at the Commission's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 202.942.8090. The Fund's complete schedule of portfolio holdings is also available by calling 800.826.2333 or by visiting vaneck.com.



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