



SEMI-ANNUAL REPORT  
June 30, 2017  
(unaudited)

**VanEck VIP Trust**

VanEck VIP Global Hard Assets 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, 2017.

Dear Shareholder:

The Initial Class shares of the VanEck VIP Global Hard Assets Fund (the “Fund”) lost 15.95% for the six months ended June 30, 2017 underperforming the S&P® North American Natural Resources Sector Index (SPGINRTR)<sup>1</sup> which lost 11.04%. The most significant impact on the natural resources market and the Fund came from lower crude oil prices over the period in review. Although 2016 drew to a close with the deflation/inflation “conversation” having shifted to include the prospect of inflation, the general feeling of optimism about both inflation expectations and infrastructure spending faded rapidly by mid-year.

### *Energy*

The long talked about cuts in capex continue to restrain supply growth. Even in the U.S., despite a sharp increase in crude oil supply since the beginning of the year, the most recent data points indicate a drop in the rate of new U.S. rigs and at least some signs of lower oil production. This could be a very early response to these weak oil prices. In addition, we are now seeing strategic asset allocation decisions being made, whether through acquisitions and/or dividends.

We believe that OPEC’s (Organization of Petroleum Exporting Countries) November meeting, and subsequent May agreement to extend quotas, can be described as “historic”. The outcome has, though, been somewhat disappointing up to this point. However, we still think that the production quota system and long-term supply constraints from non-shale, non-OPEC producers, in conjunction with continued resilient demand growth, will bring the market back into balance.

### *Metals and Mining*

Corporate restructuring in the global mining sector, we believe, has been successful. We are now starting to see real results from optimized operations, especially in terms of productivity. Balance sheets are broadly where companies said they would get them. Returns have improved and cash flows are definitely increasing. We believe that mining companies, including gold miners, have found a new foundation from which they can start to generate growth again (this time, hopefully, more prudently) and create sustainable shareholder value.

### *Agriculture*

While healthy South American crops of both soy and corn limited any upward movement in prices, this was positive for proteins. The nitrogen

## VANECK VIP GLOBAL HARD ASSETS FUND

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(unaudited) (continued)

fertilizers market benefited from the fact that, contrary to expectations, corn acreages increased at the expense of soy.

### **Fund Review**

The Fund's top contributors came from a number different sectors. Louisiana-Pacific Corporation (2.2% of Fund net assets<sup>†</sup>), a forest products company, benefited in particular from strong prices for oriented strand board (OSB). Copper producer Glencore Xstrata plc (5.6% of Fund net assets<sup>†</sup>) benefited from both commodity price support, good earnings, and expanded strategic structural optimization. Gold mining companies Kinross Gold and Randgold Resources (1.2% and 1.6% of Fund net assets, respectively<sup>†</sup>) benefited from their continued focus on cost reduction and operational performance that met expectations. Finally, Sunrun (0.5% of Fund net assets<sup>†</sup>), a rooftop solar developer, benefited from its entry into new states, nearly doubling its current addressable market.

The Fund's top detractors were all from the energy sector and all suffered from the decline in crude oil prices: oil and gas drilling companies Nabors Industries and Patterson-UTL Energy (2.5% and 3.5% of Fund net assets, respectively<sup>†</sup>), and oil and gas exploration and production companies, Newfield Exploration, Cimarex Energy, and PDC Energy (2.5%, 2.9% and 2.1% of Fund net assets, respectively<sup>†</sup>).

Significant purchases include a new position in oil and gas equipment and services company, ProPetro Holding (1.1% of Fund net assets<sup>†</sup>) and an increased position in and the oil and gas exploration and production company Parsley Energy (4.0% of Fund net assets<sup>†</sup>). The Fund's largest sales during the period included oil and gas exploration and production companies Hess and SM Energy (both fully exited by mid-year).

*The Fund is subject to risks associated with concentrating its investments in hard assets and the hard assets sector, including real estate, precious metals, and natural resources, and can be significantly affected by events relating to these industries, including international political and economic developments, inflation, and other factors. The Fund's portfolio securities may experience substantial price fluctuations as a result of these factors, and may move independently of the trends of industrialized companies.*

*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*

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*adequate compensation or imposition of prohibitive taxation. The Fund is subject to risks associated with investments in derivative, commodity-linked instruments, and illiquid securities. 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 very much appreciate your continued investment in the VanEck VIP Global Hard Assets Fund, and we look forward to helping you meet your investment goals in the future.



Shawn Reynolds  
*Portfolio Manager*

*July 19, 2017*



Charles T. Cameron  
*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.*

**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 net asset value (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 Fund assets referenced are Total Net Assets as of June 30, 2017.

## VANECK VIP GLOBAL HARD ASSETS FUND

(unaudited) (continued)

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All indices are unmanaged and include the reinvestment of all dividends, but do not reflect the payment of transaction costs, advisory fees or expenses that are associated with an investment in the Fund. Certain indices may take into account withholding taxes. 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.

- <sup>1</sup> S&P® North American Natural Resources Sector (SPGINRTR) Index includes mining, energy, paper and forest products, and plantation-owning companies, but excludes the chemicals industry and steel sub-industry.

### TOP TEN EQUITY HOLDINGS\*

June 30, 2017 (unaudited)

Glencore Xstrata plc	5.6%
Parsley Energy, Inc.	4.0%
EOG Resources, Inc.	3.7%
Concho Resources, Inc.	3.7%
Pioneer Natural Resources Co.	3.7%
Diamondback Energy, Inc.	3.6%
Patterson-UTI Energy, Inc.	3.5%
Teck Resources Ltd.	3.4%
First Quantum Minerals Ltd.	3.4%
Agnico-Eagle Mines Ltd.	3.2%

*\*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, 2017 to June 30, 2017.

### **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.

# VANECK VIP GLOBAL HARD ASSETS FUND

## EXPLANATION OF EXPENSES

(unaudited) (continued)

		Beginning Account Value January 1, 2017	Ending Account Value June 30, 2017	Expenses Paid During the Period* January 1, 2017 - June 30, 2017
<b>Van Eck VIP Global Hard Assets Fund</b>				
Initial Class	Actual	\$1,000.00	\$ 840.50	\$4.93
	Hypothetical**	\$1,000.00	\$1,019.44	\$5.41
Class S	Actual	\$1,000.00	\$ 839.30	\$6.07
	Hypothetical**	\$1,000.00	\$1,018.20	\$6.66

\* Expenses are equal to the Fund's annualized expense ratio (for the six months ended June 30, 2017), of 1.08% on Initial Class Shares, and 1.33% 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



VAN ECK VIP GLOBAL HARD ASSETS FUND

SCHEDULE OF INVESTMENTS

June 30, 2017 (unaudited)

Number of Shares	Value	Number of Shares	Value
<b>COMMON STOCKS: 93.5%</b>		<b>United Kingdom: 1.6%</b>	
<b>Bermuda: 0.8%</b>		55,900	Randgold Resources Ltd. (ADR) \$ 4,944,914
111,700	Golar LNG Ltd. (USD) \$ 2,485,325	<b>United States: 60.9%</b>	
<b>Canada: 17.0%</b>		245,400	Callon Petroleum Co. * 2,603,694
225,022	Agnico-Eagle Mines Ltd. (USD) 10,152,993	228,600	CF Industries Holdings, Inc. 6,391,656
89,400	Agrium, Inc. (USD) 8,089,806	95,000	Cimarex Energy Co. 8,930,950
256,500	Barrick Gold Corp. (USD) 4,080,915	94,950	Concho Resources, Inc. * 11,539,273
1,266,000	First Quantum Minerals Ltd. 10,709,454	440,500	Consol Energy, Inc. * 6,581,070
148,800	Goldcorp, Inc. (USD) 1,921,008	128,100	Diamondback Energy, Inc. * 11,376,561
421,300	IAMGOLD Corp. (USD) * 2,173,908	128,100	EOG Resources, Inc. 11,595,612
894,900	Kinross Gold Corp. (USD) * 3,642,243	89,400	Forum Energy Technologies, Inc. * 1,394,640
523,900	New Gold, Inc. (USD) * 1,666,002	306,400	Freeport-McMoRan Copper and Gold, Inc. * 3,679,864
618,800	Teck Resources Ltd. (USD) 10,723,804	161,600	Green Plains Renewable Energy, Inc. 3,320,880
	53,160,133	206,700	Halliburton Co. 8,828,157
<b>France: 1.2%</b>		294,400	Laredo Petroleum, Inc. * 3,097,088
596,900	Vallourec SA * # 3,632,779	290,100	Louisiana-Pacific Corp. * 6,994,311
<b>Kuwait: 2.1%</b>		964,300	Nabors Industries Ltd. 7,849,402
3,890,609	Kuwait Energy Plc (GBP) * # § ø 6,571,679	278,850	Newfield Exploration Co. * 7,936,071
<b>Luxembourg: 1.1%</b>		301,600	Newmont Mining Corp. 9,768,824
111,700	Tenaris SA (ADR) 3,478,338	446,100	Parsley Energy, Inc. * 12,379,275
<b>Monaco: 0.7%</b>		541,000	Patterson-UTI Energy, Inc. 10,922,790
578,900	Scorpio Tankers, Inc. (USD) 2,298,233	150,800	PDC Energy, Inc. * 6,500,988
<b>South Africa: 0.8%</b>		72,200	Pioneer Natural Resources Co. 11,521,676
1,740,545	Petra Diamonds Ltd. (GBP) * 2,475,534	256,500	ProPetro Holding Corp. * 3,580,740
<b>Switzerland: 7.3%</b>			
4,706,265	Glencore Xstrata Plc (GBP) * # 17,635,437		
1,377,300	Weatherford International Plc (USD) * 5,330,151		
	22,965,588		

See Notes to Financial Statements

# VAN ECK VIP GLOBAL HARD ASSETS FUND

## SCHEDULE OF INVESTMENTS

(unaudited) (continued)

Number of Shares	Value	Number of Shares	Value
<b>United States: (continued)</b>		<b>MONEY MARKET FUND: 6.2%</b>	
121,700 RSP Permian, Inc. *	\$ 3,927,259	(Cost: \$19,401,958) 19,401,958 AIM Treasury Portfolio—	
135,300 Schlumberger Ltd.	8,908,152	Institutional Class	\$ 19,401,958
206,300 Steel Dynamics, Inc.	7,387,603	<b>Total Investments: 100.0%</b>	
211,900 Sunrun, Inc. *	1,508,728	(Cost: \$310,126,417)	312,673,079
412,500 Superior Energy Services, Inc. *	4,302,375	<b>Liabilities in excess of other assets: (0.0)%</b>	(20,573)
50,300 Tyson Foods, Inc.	3,150,289	<b>NET ASSETS: 100.0%</b>	\$312,652,506
39,100 Union Pacific Corp.	4,258,381		
	<u>190,236,309</u>	ADR American Depository Receipt	
<b>Total Common Stocks</b>		GBP British Pound	
(Cost: \$289,844,305)	292,248,832	USD United States Dollar	
<b>REAL ESTATE INVESTMENT TRUST: 0.3%</b>			
(Cost: \$880,154)			
<b>United States: 0.3%</b>			
44,700 Hannon Armstrong Sustainable Infrastructure Capital, Inc.	<u>1,022,289</u>		

\* 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 \$27,839,895 which represents 8.9% of net assets.

§ Illiquid Security — the aggregate value of illiquid securities is \$6,571,679 which represents 2.1% of net assets.

o Restricted Security — the aggregate value of restricted securities is \$6,571,679, or 2.1% of net assets.

Restricted securities held by the Fund as of June 30, 2017 are as follows:

<u>Security</u>	<u>Acquisition Date</u>	<u>Number of Shares</u>	<u>Acquisition Cost</u>	<u>Value</u>	<u>% of Net Assets</u>
Kuwait Energy Plc	08/06/2008	3,890,609	\$11,764,893	\$6,571,679	2.1%

**Summary of Investments by Sector**

	<u>% of Investments</u>	<u>Value</u>
Consumer Staples	1.0%	\$ 3,150,289
Energy	54.7	170,893,158
Financials	0.3	1,022,289
Industrials	1.8	5,767,109
Materials	36.0	112,438,276
Money Market Fund	6.2	19,401,958
	<u>100.0%</u>	<u>\$312,673,079</u>

The summary of inputs used to value the Fund's investments as of June 30, 2017 is as follows:

	<u>Level 1 Quoted Prices</u>	<u>Level 2 Significant Observable Inputs</u>	<u>Level 3 Significant Unobservable Inputs</u>	<u>Value</u>
Common Stocks				
Bermuda	\$ 2,485,325	\$ —	\$ —	\$ 2,485,325
Canada	53,160,133	—	—	53,160,133
France	—	3,632,779	—	3,632,779
Kuwait	—	—	6,571,679	6,571,679
Luxembourg	3,478,338	—	—	3,478,338
Monaco	2,298,233	—	—	2,298,233
South Africa	2,475,534	—	—	2,475,534
Switzerland	5,330,151	17,635,437	—	22,965,588
United Kingdom	4,944,914	—	—	4,944,914
United States	190,236,309	—	—	190,236,309
Real Estate Investment Trust*	1,022,289	—	—	1,022,289
Money Market Fund	19,401,958	—	—	19,401,958
<b>Total</b>	<u>\$284,833,184</u>	<u>\$21,268,216</u>	<u>\$6,571,679</u>	<u>\$312,673,079</u>

\* See Schedule of Investments for security type and geographic country breakouts.

# VAN ECK VIP GLOBAL HARD ASSETS FUND

## SCHEDULE OF INVESTMENTS

(unaudited) (continued)

During the period ended June 30, 2017, transfers of securities from Level 2 to Level 1 were \$3,353,557. 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, 2017:

	<b>Common Stocks</b>
	<b>Kuwait</b>
Balance as of December 31, 2016	\$6,069,240
Realized gain (loss)	—
Net change in unrealized appreciation (depreciation)	502,439
Purchases	—
Sales	—
Transfers in and/or out of level 3	—
Balance as of June 30, 2017	<u>\$6,571,679</u>

The following table presents additional information about valuation methodologies and inputs used for investments that are measured at fair value and categorized within Level 3 as of June 30, 2017:

	<b>Value as of June 30, 2017</b>	<b>Valuation Technique</b>	<b>Unobservable Input Description<sup>(1)</sup></b>	<b>Unobservable Input</b>	<b>Impact to Valuation from an Increase in Input<sup>(2)</sup></b>
Common Stocks					
Kuwait	\$6,571,679	Guideline Public Companies	Entitlement Multiple Working Interest Multiple Marketability Discount	5.50x-10.25x  0.40x-3.00x 10%	Increase  Increase Decrease

(1) In determining certain of these inputs, management evaluates a variety of factors including economic condition, industry and market developments, market valuations of comparable companies and company specific developments.

(2) This column represents the directional change in the fair value of the Level 3 investments that would result from an increase to the corresponding unobservable input. A decrease to the unobservable input would have the opposite effect. Significant increases or decreases in these inputs in isolation could result in significantly higher or lower fair value measurements.

# VANECK VIP GLOBAL HARD ASSETS FUND

## STATEMENT OF ASSETS AND LIABILITIES

June 30, 2017 (unaudited)

**Assets:**

Investments, at value (Cost \$310,126,417) . . . . .	\$312,673,079
Cash . . . . .	40,886
Cash denominated in foreign currency, at value (Cost \$21) . . . . .	21
Receivables:	
Investments sold . . . . .	603,369
Shares of beneficial interest sold . . . . .	198,634
Dividends . . . . .	242,495
Prepaid expenses . . . . .	1,275
<b>Total assets</b> . . . . .	<b>313,759,759</b>

**Liabilities:**

Payables:	
Shares of beneficial interest redeemed . . . . .	518,612
Due to Adviser . . . . .	261,177
Due to Distributor . . . . .	27,294
Deferred Trustee fees . . . . .	156,775
Accrued expenses . . . . .	143,395
<b>Total liabilities</b> . . . . .	<b>1,107,253</b>

**NET ASSETS** . . . . . **\$312,652,506**

**Initial Class Shares:**

Net Assets . . . . .	\$183,339,736
Shares of beneficial interest outstanding . . . . .	9,037,595
Net asset value, redemption and offering price per share . . . . .	\$ 20.29

**Class S Shares:**

Net Assets . . . . .	\$129,312,770
Shares of beneficial interest outstanding . . . . .	6,604,248
Net asset value, redemption and offering price per share . . . . .	\$ 19.58

**Net Assets consist of:**

Aggregate paid in capital . . . . .	\$422,737,086
Net unrealized appreciation . . . . .	2,546,662
Accumulated net investment loss . . . . .	(812,429)
Accumulated net realized loss . . . . .	(111,818,813)
	<b>\$312,652,506</b>

# VANECK VIP GLOBAL HARD ASSETS FUND

## STATEMENT OF OPERATIONS

For the Six Months Ended June 30, 2017 (unaudited)

### Income:

Dividends (net of foreign taxes withheld of \$42,293) . . . .	\$ 1,474,873
Interest . . . . .	933
Total income . . . . .	<u>1,475,806</u>

### Expenses:

Management fees . . . . .	\$1,825,701
Distribution fees — Class S Shares . . . . .	194,165
Transfer agent fees — Initial Class Shares . . . . .	10,905
Transfer agent fees — Class S Shares . . . . .	8,894
Custodian fees . . . . .	8,435
Professional fees . . . . .	44,961
Reports to shareholders . . . . .	39,435
Insurance . . . . .	10,329
Trustees' fees and expenses . . . . .	9,802
Other . . . . .	7,881
Total expenses . . . . .	<u>2,160,508</u>
Net investment loss . . . . .	<u>(684,702)</u>

### Net realized loss on:

Investments . . . . .	(15,173,444)
Foreign currency transactions and foreign denominated assets and liabilities . . . . .	(3,094)
Net realized loss . . . . .	<u>(15,176,538)</u>

### Net change in unrealized appreciation (depreciation) on:

Investments . . . . .	(45,029,056)
Foreign currency transactions and foreign denominated assets and liabilities . . . . .	(30)
Net change in unrealized appreciation (depreciation) .	<u>(45,029,086)</u>

### Net Decrease in Net Assets Resulting

from Operations . . . . .	<u>\$ (60,890,326)</u>
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See Notes to Financial Statements

**VANECK VIP GLOBAL HARD ASSETS FUND**  
**STATEMENT OF CHANGES IN NET ASSETS**

	<b>Six Months Ended June 30, 2017 (unaudited)</b>	<b>Year Ended December 31, 2016</b>
<b>Operations:</b>		
Net investment loss	\$ (684,702)	\$ (1,168,182)
Net realized loss	(15,176,538)	(43,168,781)
Net change in unrealized appreciation (depreciation)	<u>(45,029,086)</u>	<u>164,245,332</u>
Net increase (decrease) in net assets resulting from operations	<u>(60,890,326)</u>	<u>119,908,369</u>
<b>Dividends to shareholders from:</b>		
Net investment income		
Initial Class Shares	—	(800,315)
Class S Shares	—	(456,585)
Total dividends	<u>—</u>	<u>(1,256,900)</u>
<b>Share transactions*:</b>		
Proceeds from sale of shares		
Initial Class Shares	26,285,593	53,363,374
Class S Shares	<u>19,448,088</u>	<u>90,975,754</u>
	<u>45,733,681</u>	<u>144,339,128</u>
Reinvestment of dividends		
Initial Class Shares	—	800,315
Class S Shares	—	456,585
	<u>—</u>	<u>1,256,900</u>
Cost of shares redeemed		
Initial Class Shares	(32,495,098)	(77,331,352)
Class S Shares	<u>(36,492,513)</u>	<u>(57,842,110)</u>
	<u>(68,987,611)</u>	<u>(135,173,462)</u>
Net increase (decrease) in net assets resulting from share transactions	<u>(23,253,930)</u>	<u>10,422,566</u>
Total increase (decrease) in net assets	<u>(84,144,256)</u>	<u>129,074,035</u>
<b>Net Assets:</b>		
Beginning of period	<u>396,796,762</u>	<u>267,722,727</u>
End of period (including accumulated net investment loss of \$(812,429) and \$(127,727), respectively)	<u>\$312,652,506</u>	<u>\$396,796,762</u>
<b>* Shares of beneficial interest issued, reinvested and redeemed (unlimited number of \$.001 par value shares authorized):</b>		
<b>Initial Class Shares:</b>		
Shares sold	1,133,871	2,574,457
Shares reinvested	—	49,586
Shares redeemed	<u>(1,399,731)</u>	<u>(3,754,331)</u>
Net decrease	<u>(265,860)</u>	<u>(1,130,288)</u>
<b>Class S Shares:</b>		
Shares sold	864,519	4,535,734
Shares reinvested	—	29,212
Shares redeemed	<u>(1,640,212)</u>	<u>(2,788,791)</u>
Net increase (decrease)	<u>(775,693)</u>	<u>1,776,155</u>

See Notes to Financial Statements

# VANECK VIP GLOBAL HARD ASSETS FUND

## FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period:

	For the Six Months Ended June 30, 2017 (unaudited)	Initial Class Shares				
		Year Ended December 31,				
		2016	2015	2014	2013	2012
Net asset value, beginning of period	\$24.14	\$16.88	\$25.37	\$31.39	\$29.13	\$30.75
Income from investment operations:						
Net investment income (loss) . . .	(0.03)	(0.05)	0.10	0.06	0.08(b)	0.15(b)
Net realized and unrealized gain (loss) on investments . . .	(3.82)	7.39	(8.58)	(6.05)	2.95	1.00
Total from investment operations . . . . .	(3.85)	7.34	(8.48)	(5.99)	3.03	1.15
Less dividends and distributions from:						
Net investment income . . . . .	—	(0.08)	(0.01)	(0.03)	(0.20)	(0.18)
Net realized capital gains . . . . .	—	—	—	—	(0.57)	(2.59)
Total dividends and distributions . . . . .	—	(0.08)	(0.01)	(0.03)	(0.77)	(2.77)
Redemption fees . . . .	—	—	—	—	—	—(c)
Net asset value, end of period . . . . .	\$20.29	\$24.14	\$16.88	\$25.37	\$31.39	\$29.13
Total return (a) . . . . .	(15.95)(d)	43.71%	(33.45)%	(19.10)%	10.53%	3.39%

### Ratios/Supplemental Data

Net assets, end of period (000's)	\$183,340	\$224,612	\$176,087	\$275,099	\$336,763	\$354,487
Ratio of gross expenses to average net assets	1.08%(e)	1.06%	1.05%	1.06%	1.09%	1.03%
Ratio of net expenses to average net assets .	1.08%(e)	1.06%	1.05%	1.06%	1.09%	1.03%
Ratio of net expenses, excluding interest expense, to average net assets . . . . .	1.08%(e)	1.06%	1.05%	1.06%	1.09%	1.03%
Ratio of net investment income (loss) to average net assets .	(0.26)(e)	(0.24)%	0.43%	0.19%	0.27%	0.50%
Portfolio turnover rate	7%(d)	45%	21%	31%	31%	29%

(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

See Notes to Financial Statements



## FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period:

	Class S Shares					
	Year Ended December 31,					
	2017	2016	2015	2014	2013	2012
<b>For the Six Months Ended June 30, 2017 (unaudited)</b>						
Net asset value, beginning of period	\$23.33	\$16.35	\$24.64	\$30.55	\$28.38	\$30.10
Income from investment operations:						
Net investment income (loss) . . .	(0.06)	(0.09)	0.04	(0.02)	0.01(b)	0.13(b)
Net realized and unrealized gain (loss) on investments . . .	(3.69)	7.15	(8.32)	(5.89)	2.88	0.92
Total from investment operations . . . . .	(3.75)	7.06	(8.28)	(5.91)	2.89	1.05
Less dividends and distributions from:						
Net investment income . . . . .	—	(0.08)	(0.01)	—	(0.15)	(0.18)
Net realized capital gains . . . . .	—	—	—	—	(0.57)	(2.59)
Total dividends and distributions . . . . .	—	(0.08)	(0.01)	—	(0.72)	(2.77)
Redemption fees . . . . .	—	—	—	—	—	—(c)
Net asset value, end of period . . . . .	\$19.58	\$23.33	\$16.35	\$24.64	\$30.55	\$28.38
Total return (a) . . . . .	(16.07)%(d)	43.41%	(33.62)%	(19.35)%	10.30%	3.11%

### Ratios/Supplemental Data

Net assets, end of period (000's) . . . . .	\$129,313	\$172,185	\$91,635	\$118,163	\$122,407	\$86,241
Ratio of gross expenses to average net assets	1.33%(e)	1.30%	1.31%	1.32%	1.34%	1.34%
Ratio of net expenses to average net assets . . . . .	1.33%(e)	1.30%	1.31%	1.32%	1.34%	1.34%
Ratio of net expenses, excluding interest expense, to average net assets . . . . .	1.33%(e)	1.30%	1.31%	1.32%	1.34%	1.34%
Ratio of net investment income (loss) to average net assets . . . . .	(0.53)%(e)	(0.50)%	0.17%	(0.06)%	0.03%	0.47%
Portfolio turnover rate	7%(d)	45%	21%	31%	31%	29%

(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

See Notes to Financial Statements

# VAN ECK VIP GLOBAL HARD ASSETS FUND

## NOTES TO FINANCIAL STATEMENTS

June 30, 2017 (unaudited)

**Note 1—Fund Organization**—VanEck 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 Global Hard Assets Fund (the “Fund”) is a diversified series of the Trust and seeks long-term capital appreciation by investing primarily in hard asset securities. The Fund offers two classes of shares: Initial Class Shares and Class S Shares. The two classes are identical except Class S Shares are subject to a distribution fee.

**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 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 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 Standard 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, using methods approved by the Board of Trustees, 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 securities in other situations,

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such as, when a particular foreign market is closed but the Fund is open. Short-term debt securities 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 classified as Level 1 in the fair value hierarchy. The Pricing Committee of Van Eck Associates Corporation (the “Adviser”) 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 or other assets. If market quotations for a security or other asset are not readily available, or if the Adviser believes it does not otherwise reflect the fair value of a security or asset, the security or asset will be fair valued by the Pricing Committee in accordance with the Fund’s valuation policies and procedures. 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, periodic comparisons to valuations provided by other independent pricing services, 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 of 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:

# VAN ECK VIP GLOBAL HARD ASSETS FUND

## NOTES TO FINANCIAL STATEMENTS

(unaudited) (continued)

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 as quoted by one or more sources. 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

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

**F. 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, 2017.

**G. 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. Interest income, including amortization of premiums and discounts, is accrued as earned. Realized gains and losses are calculated on the specific identified cost basis. The Fund received redemption fees from Class R1 Shares prior to its closing on April 30, 2012 which are reflected in the Financial Highlights.

Income, expenses (excluding class-specific expenses), realized and unrealized gains (losses) are allocated proportionately to each class of shares based upon the relative net asset value of outstanding shares of each class at the beginning of the day (after adjusting for current capital share activity of the respective classes). Class-specific expenses are charged directly to the applicable class of shares.

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

## VAN ECK VIP GLOBAL HARD ASSETS FUND

### NOTES TO FINANCIAL STATEMENTS

(unaudited) (continued)

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 first \$500 million of average daily net assets, 0.90% of the next \$250 million of average daily net assets and 0.70% of the average daily net assets in excess of \$750 million. The Adviser has agreed, until at least May 1, 2018, to waive management fees and assume expenses to prevent the Fund's total annual operating expenses (excluding acquired fund fees and expenses, interest expense, trading expenses, dividend and interest payments on securities sold short, taxes, and extraordinary expenses) from exceeding 1.20% for Initial Class Shares and 1.45% for Class S Shares. For the period ended June 30, 2017, no management fees were waived nor were any expenses assumed by the Adviser.

In addition, Van Eck Securities Corporation (the "Distributor"), an affiliate of the Adviser, acts as the fund's distributor. Certain officers and trustees of the Trust are officers, directors or stockholders of the Adviser and 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") for Class S Shares in accordance with Rule 12b-1 under the 1940 Act. Pursuant to the Plan, the Fund is authorized to incur distribution expenses for its Class S Shares 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 for Class S Shares.

**Note 5—Investments—**For the period ended June 30, 2017, the cost of purchases and proceeds from sales of investments, excluding U.S. government securities and short-term obligations, aggregated to \$24,199,099 and \$55,285,932, respectively.

**Note 6—Income Taxes—**For Federal income tax purposes, the identified cost of investments owned at June 30, 2017 was \$325,660,724 and net unrealized depreciation aggregated to \$12,987,645, of which \$60,642,013 related to appreciated securities and \$73,629,658 related to depreciated securities.

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The tax character of dividends and distributions paid to shareholders for the year ended December 31, 2016 was as follows:

Ordinary income . . . . . \$1,256,900

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

At December 31, 2016, the Fund had capital loss carryforwards available to offset future capital gains as follows:

<u>Post-Effective No Expiration Long-Term Capital Losses</u>	<u>Post-Effective No Expiration Short-Term Capital Losses</u>
\$74,232,956	\$6,875,014

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.

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, 2017, 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.

The Fund may concentrate its investments in companies which are significantly engaged in the exploration, development, production and distribution of gold and other natural resources such as strategic and other metals, minerals, forest products, oil, natural gas and coal and by investing in gold bullion and coins. Since the Fund may so concentrate, it may be subject to greater risks and market fluctuations than other more diversified portfolios. The production and marketing of gold and other natural resources may be affected by actions and

## VAN ECK VIP GLOBAL HARD ASSETS FUND

### NOTES TO FINANCIAL STATEMENTS

(unaudited) (continued)

changes in governments. In addition, gold and natural resources may be cyclical in nature.

In March 2017, the United Kingdom triggered Article 50, and is now scheduled to leave the European Union by the end of March 2019. There is uncertainty on exactly how the withdrawal will take place and the terms of the Brexit deal. 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, 2017, the aggregate shareholder accounts of three insurance companies owned approximately 52%, 22%, and 8% of the Initial Class Shares and four insurance companies owned approximately 43%, 30%, 13%, and 5% of the Class S 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” on the Statement of Operations. The liability for the Deferred Plan is shown as “Deferred Trustee fees” on 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, 2017, the Fund had no borrowings under the Facility.

**Note 10—Recent Accounting Pronouncements and Regulatory Requirements**—In October 2016, the U.S. Securities and Exchange Commission (“SEC”) adopted new rules and forms, and amendments to certain current rules and forms, to modernize reporting and disclosure of information by registered investment companies. The amendments to Regulation S-X will require standardized, enhanced disclosure about derivatives in investment company financial statements, and will also change the rules governing the form and content of such financial statements. The compliance



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date for the amendments to Regulation S-X is August 1, 2017. Management has evaluated the impact that the adoption of the amendments to Regulation S-X will have on the Fund's financial statements and related disclosures. Any required changes will be implemented for interim and annual periods after August 1, 2017.

**Note 11—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 GLOBAL HARD ASSETS 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, 2017, 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 6, 2017 and June 22 and 23, 2017 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

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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 (as applicable) ended March 31, 2017 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 subgroup 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"), (iii) an appropriate benchmark index and (iv) an additional benchmark index that includes relevant exposures not otherwise reflected in the benchmark index (the "GHA Additional 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, 2016 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;

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APPROVAL OF ADVISORY AGREEMENT

June 30, 2017 (unaudited) (continued)

- Information with respect to the Adviser's brokerage practices, including the Adviser's processes for monitoring best execution of 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 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);

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- 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 UCITSs, one or more of which may invest in the same financial markets and may be managed by the same investment professionals according to a similar investment objective

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APPROVAL OF ADVISORY AGREEMENT

June 30, 2017 (unaudited) (continued)

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, 2017, and the advisory fee and expense ratio data is as of the Fund's fiscal year end of December 31, 2016.

*Performance.* The Board noted, based on a review of comparative annualized total returns, that the Fund had outperformed its Category and Peer Group median over the one- and ten-year periods, but had underperformed its Category and Peer median over the three- and five-year periods. The Board also noted that the Fund had outperformed its benchmark index over the one-year period but had underperformed its benchmark index over the three-, five-, and ten-year periods. The Board further noted that the Fund had outperformed its GHA Additional Index over the one- and ten-year periods, but had underperformed its GHA Additional Index for the three- and five-year periods. The Board noted that the Fund's performance has improved after being adversely affected by a prevailing bear market for commodities in recent years.

*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 higher 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 2018 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.

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*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 Fund invests and the volatility of cash flows into and out of the Fund 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 or modifying existing (if any) 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 for the Fund 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 the Fund 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 (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](http://vaneck.com), or on the Securities and Exchange Commission's website at <https://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 <https://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](http://vaneck.com).

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