



ANNUAL REPORT
December 31, 2016

VanEck VIP Trust

VanEck VIP Unconstrained Emerging Markets Bond 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 December 31, 2016.

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(unaudited)

FACTS	WHAT DOES VANECK DO WITH YOUR PERSONAL INFORMATION?			
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.			
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"> ■ Social Security number and account balances ■ assets and payment history ■ risk tolerance and transaction history 			
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons VanEck chooses to share; and whether you can limit this sharing.			
Reasons we can share your personal information	Does VanEck share?	Can you limit this sharing?	To limit our sharing	Questions?
For our everyday business purposes —such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No	Call us at 800.826.2333. <i>Please note:</i> If you are a new customer, we can begin sharing your information 30 days from the date we sent this notice. When you are no longer our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.	800.826.2333
For our marketing purposes —to offer our products and services to you	Yes	No		
For joint marketing with other financial companies	Yes	No		
For our affiliates' everyday business purposes —information about your transactions and experiences	Yes	No		
For our affiliates' everyday business purposes —information about your creditworthiness	No	We don't share		
For our affiliates to market to you	Yes	Yes		
For nonaffiliates to market to you	No	We don't share		

PRIVACY NOTICE

(unaudited) (continued)

Who we are	
Who is providing this notice?	Van Eck Associates Corporation, its affiliates and funds sponsored or managed by Van Eck (collectively "VanEck").
What we do	
How does VanEck protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does VanEck collect my personal information?	We collect your personal information, for example, when you <ul style="list-style-type: none">■ open an account or give us your income information■ provide employment information or give us your contact information■ tell us about your investment or retirement portfolio We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only <ul style="list-style-type: none">■ sharing for affiliates' everyday business purposes—information about your creditworthiness■ affiliates from using your information to market to you■ sharing for nonaffiliates to market to you State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.
What happens when I limit sharing for an account I hold jointly with someone else?	Your choices will apply to everyone on your account—unless you tell us otherwise.
Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none">■ Our affiliates include companies with a VanEck name such as Van Eck Securities Corporation and others such as MV Index Solutions GmbH.
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none">■ VanEck does not share with nonaffiliates so they can market to you.
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none">■ Our joint marketing partners include financial services companies.
Other important information	
<p>California Residents—In accordance with California law, we will not share information we collect about California residents with nonaffiliates except as permitted by law, such as with the consent of the customer or to service the customer's accounts. We also will limit the sharing of information about you with our affiliates to the extent required by applicable California law.</p> <p>Vermont Residents—In accordance with Vermont law, we will not share information we collect about Vermont residents with nonaffiliates except as permitted by law, such as with the consent of the customer or to service the customer's accounts. We will not share creditworthiness information about Vermont residents among VanEck's affiliates except with the authorization or consent of the Vermont resident.</p>	

VANECK VIP UNCONSTRAINED EMERGING MARKETS BOND FUND

December 31, 2016 (unaudited)

Dear Shareholder:

The Initial Class shares of the VanEck VIP Unconstrained Emerging Markets Bond Fund (the “Fund”) gained 6.42% over the 12 month period ended December 31, 2016, while the Fund’s benchmark—a blended index consisting of 50% J.P. Morgan Emerging Markets Bond Index Global Diversified Index¹ (EMBI) and 50% J.P. Morgan Government Bond Index-Emerging Markets Global Diversified Index² (GBI-EM) gained 10.15% over the same period. To compare, the GBI-EM local currency index was up 9.94%, while the EMBI hard currency index returned 10.15% over the 12 month period.

In 2016, the emerging markets bond market was volatile. Big shifts in commodity prices, continuing concerns over Chinese macroeconomic imbalances and the stability of the exchange rate regime, and stronger political noise in systemically important emerging markets countries (Brazil, Venezuela, Turkey, South Africa, and Poland) impacted the emerging markets bond market. Moreover, the unexpected outcomes of several global political events (Brexit,³ U.S. presidential election, and the Italian referendum), combined with the more hawkish policy narrative at major central banks drove asset prices. Inflows to the asset class as a whole were equally volatile, with several major reversals during the year. Given all these risks and vulnerabilities, the Fund’s stance from the start of the 2016 was (and remains) defensive in the form of low to moderate duration and low to no local currency debt exposures. Although this position allowed us to generally outperform in down periods, it did hurt in 2016 as the chase for yield lifted the asset class substantially.

However, the Bank of Japan’s actions to steepen its yield curve and the election of Republican Donald Trump as U.S. president accelerated some of the trends we were anticipating. Since his election, we have seen a rout in bond markets globally, while equity markets have rallied. Emerging markets local currencies⁴ were impacted most due to concerns over potential trade policies, but duration also affected performance of local bond markets. This fueled our concern about duration for several reasons. First, there was a too-broad consensus that inflation would remain low “forever”. The market consistently underpriced the Fed’s “dots”.⁵ Second, headline inflation was rising. And lastly, an end to quantitative easing (QE) was in sight. The Fund recouped a good portion of the year’s underperformance during the fourth quarter of 2016, outperforming its 50/50 benchmark by 3.71%. We believe that some of

VANECK VIP UNCONSTRAINED EMERGING MARKETS BOND FUND

(unaudited) (continued)

these risks remain and asset price outcomes continue to be asymmetric. The magnitude of a downside not only seems larger to us than an upside, but also more likely.

From a country perspective, the Fund's performance compared to the 50/50 blended benchmark was aided by long-term positions in Argentina and Brazil, as well as positions in Mexico, the Philippines, and South Korea. Conversely, the Fund's performance was affected negatively by lack of exposure to South Africa, Russia, Colombia, and Venezuela. Other than Russia, these are higher-beta countries that rallied in the first part of the year, as the chase for yield continued, before getting slammed in the fourth quarter. Our key goal remains to have a portfolio that is well positioned to deal with the potentially strong headwinds of 2017. In particular, we continue to be concerned about duration. The new Trump administration's possible fiscal stimulus, taken in the context of tight labor markets, should increase inflation pressures. The new administration could also boost animal spirits,⁶ as evidenced by a historic rise in small business confidence. As we mentioned, an end of QE is also now in sight, according to Fed observers, putting further upward pressure on yields. Finally, if lower trade deficits is the goal of the current U.S. administration, it means lower trade surpluses recycled into U.S. Treasuries.

Market and Fund Review

Brazil's macroeconomic and policy story improved significantly in 2016 despite a few episodes of higher uncertainty surrounding the impeachment of President Dilma Rousseff. The new government has a much clearer policy agenda that is focused on putting the country's performance on a more sustainable path. The government has managed to pass the first set of constitutional amendments associated with the spending cap and, before yearend, submitted to parliament its proposals regarding pension reform. Meanwhile inflation pressure and expectations are steadily declining which should allow the central bank to continue easing—hopefully generating a virtuous feedback loop in 2017.

Argentina also remained a bright spot in 2016. The new market-friendly government was a real game-changer as regards the resolution of the long-standing holdouts issue and regaining access to the international financial markets. Argentina's macroeconomic background remains largely supportive and debt ratios are still low. Fiscal policy has suffered a setback recently, but it is our view that this is only to get through 2017 local elections and that reform momentum will continue. The recent resignation of Finance Minister Prat-Gay makes us more confident of this

view of the future, as he was supportive of a slower fiscal policy adjustment.

In the 12 month period under review, we also liked having exposure to so-called “bunker” bonds in South Korea. The country is a net sovereign creditor, i.e., it has more U.S. dollar (USD) reserves than U.S. dollar liabilities, with solid fiscal accounts and large external surpluses. What made these bonds particularly appealing is that they are proven to outperform in a risk-off environment.

Local currency bonds in South Africa and Turkey detracted from the Fund’s performance—this was mostly related to the fallout from the major political shocks in both countries. In Turkey the unsuccessful military coup in the middle of July generated a lot of additional headline risk, as well as rating downgrades. The economic performance has faltered and, as of yearend, markets remained uncertain as to whether the central bank will be able to maintain its independence. In South Africa the stand-off between President Zuma and Minister of Finance Gordhan produced much headline risk despite the ANC’s (African National Congress party) weak performance in local elections. Fiscal uncertainties and concerns about state-owned enterprise reform are also back on the table—with higher risks of further rating downgrades down the road.

Other detracting positions included hard currency⁷ debt exposure in Venezuela, Iraq, and Ecuador. The post-election period generated political uncertainty and social unrest in Venezuela. President Maduro’s main focus is on his own political survival, while the opposition is preoccupied with removing him from power. The end result is that economic issues (especially floating the exchange rate) were largely ignored and unaddressed.

Our view on local currency-denominated bonds changed over the course of the year. After having no local exposure in early 2016, we became cautiously positive in early March, increasing exposure to approximately 50% of the Fund’s assets under management by the end of March. However, the growth outlook in emerging markets continued to remain uncertain, commodity prices started to weaken again, the initial “bump” to China’s activity indicators from an earlier policy stimulus started to wane, and capital outflows from emerging markets intensified. Accordingly, we retracted and approached mid-May having only minimal local bonds exposure (less than 5%) in our portfolio.

The local debt tailwinds⁸ became stronger early in the third quarter as the final stretch of central bank forbearance pushed global interest rates

VANECK VIP UNCONSTRAINED EMERGING MARKETS BOND FUND

(unaudited) (continued)

down. During this time, we increased our exposure to local debt to roughly 50% of our overall exposure by early August 2016. In the fall, there were several changes in the previously placid inflation landscape in the U.S. and some other developed markets, as reflected in rising market-based inflation expectations. The quality of the U.S. macro-flow improved and the Federal Open Market Committee (FOMC) started to signal that it was ready to resume policy tightening. To reflect these changes, we finalized the portfolio's adjustment towards high-quality/idiosyncratic U.S. dollar-denominated debt, and away from local currency debt. By the end of the year, we only had minimal local debt exposure in Brazil.

We also continued to reduce the portfolio's duration in the second half of the year.

Concerns over illiquidity in the corporate bond market remained strong in 2016 and we only owned selected U.S. dollar-denominated (mostly short-duration) corporate bonds with diversifier characteristics in countries like Mexico, Argentina, Russia, and Peru.

During the 12 month period, the Fund used derivatives, specifically non-deliverable and deliverable foreign exchange forwards, to hedge the currency component of fixed income holdings. In particular, the Fund directly hedged the euro risk encumbered in euro-denominated bonds, particularly Argentine euro-denominated bonds. The Fund also used cross-currency hedges for its Chilean peso bond exposure by buying USD/PEN (Peruvian sol), and for its Russian ruble bond exposure by buying USD/TRY (Turkish lira). The derivatives positions in 2016 had a minimal impact on the Fund's performance, especially when taking into consideration the opposing positions that those derivatives were trying to hedge.

Portfolio Positioning and Outlook

We are cautious overall on emerging markets debt and especially on local currency-denominated debt. In particular, rising U.S. Treasury yields (mostly due to risk-negative factors), a stronger U.S. dollar, rising attention to risks in China and Europe, and "protectionism" could arise following the U.S. presidential election. Headline inflation in the U.S. continues to rise and any fiscal stimulus under a Trump presidency will occur in the context of the tight labor market, so the impact on wages, inflation expectations, and term premium could be significant (albeit it remains to be seen whether the final outcome of Trump's policy agenda will be stag- or reflationary).

A unique feature of the Trump presidency that might negatively affect emerging markets asset prices (while potentially being positive for U.S. asset prices) lies in the president's promise to introduce a number of protectionist measures, many of which can be implemented through executive fiat. One of the elements of Trump's campaign was that foreign workers prospered at the expense of U.S. workers under globalization.

In China, while the government is trying to chase the "impossible trinity" (control over an exchange rate, an independent monetary policy, and free international capital flows), macroeconomic imbalances are worsening and capital outflows intensify. China is struggling with the "float" of its currency as it is necessitating rising capital controls and volatile upward spikes in local interest rates that the authorities use to curb U.S. dollar longs and buy time (while hitting growth, leverage, and confidence).

Europe faces a basic contradiction as the Eurozone has one currency, but many fiscal policies and many financial systems. The promise of fiscal federalization has not been fulfilled, so it is hard for us to see how any new hit to confidence gets credibly addressed in the future. An adverse outcome to the forthcoming elections (French, Dutch, and German) is not reflected in European or global asset prices.

These risks notwithstanding, as an unconstrained blended emerging markets debt fund, we have the flexibility to adjust to this environment. Our current portfolio continues to have low duration and low emerging markets local currency exposure, which was key to our outperformance in the turbulent fourth quarter of 2016. We expect it to give us an edge in 2017.

Our focus is on liquid names that have de-risked and have convincing macro stories behind them (Brazil, Russia, and Argentina). We also try to include off-index names in our portfolio—both in the corporate and the sovereign space (as long as they are liquid). One interesting example of such exposure is Mongolia where the new government surprised on the positive side with a strong reform push delivering more than the International Monetary Fund (IMF) would have expected. The IMF program would be a major policy anchor, improving the country's access to the international capital markets and unlocking additional sources of financing. We always focus on liquidity, and are trying to make sure that potentially illiquid bonds are not in the portfolio.

As an unconstrained long-only fund, we seek to find the best investment opportunities across the emerging markets debt universe, including sovereigns and corporates in hard and local currencies. We believe that this flexibility gives us a greater ability to manage risks in the emerging

VANECK VIP UNCONSTRAINED EMERGING MARKETS BOND FUND

(unaudited) (continued)

markets space, especially interest rates, currency, and country risks. We also believe this flexibility also allows for a greater ability to find opportunities with higher yields.

The Fund is subject to risks associated with its investments in emerging markets debt securities. Investing in foreign denominated and/or domiciled securities may involve heightened risk due to currency fluctuations, and economic and political risks, which may be enhanced in emerging markets. As the Fund may invest in securities denominated in foreign currencies and some of the income received by the Fund will be in foreign currencies, changes in currency exchange rates may negatively impact the Fund's return. Derivatives may involve certain costs and risks such as liquidity, interest rate, market, credit, management and the risk that a position could not be closed when most advantageous. The Fund may also be subject to credit risk, interest rate risk, sovereign debt risk, tax risk, hedging risk, non-diversification risk, and risks associated with noninvestment grade securities. Please see the prospectus for information on these and other risk considerations.

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



Eric Fine
Portfolio Manager
January 23, 2017



David Austerweil
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 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. 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 J.P. Morgan Emerging Markets Bond Index Global Diversified Index (EMBI) tracks returns for actively traded external debt instruments in emerging markets, and is also J.P. Morgan's most liquid U.S. dollar emerging markets debt benchmark.
- ² J.P. Morgan Government Bond Index-Emerging Markets Global Diversified Index (GBI-EM) tracks local currency bonds issued by emerging markets governments. The index spans over 15 countries.
- ³ British withdrawal from the European Union.
- ⁴ Emerging markets local currency bonds are bonds denominated in the local currency of the issuer.
- ⁵ Federal Reserve officials publish their forecasts for the central bank's key interest rate on a chart known as the "dot plot".
- ⁶ Animal spirits is the term John Maynard Keynes used in his 1936 book, *The General Theory of Employment, Interest and Money*, to describe the instincts, proclivities and emotions that ostensibly influence and guide human behavior, and which can be measured in terms of, for example, consumer confidence.
- ⁷ Hard currency refers to currencies that are generally widely accepted around the world such as the U.S. dollar, euro, or yen.
- ⁸ Tailwinds describes a condition or situation that will help move growth higher and increase growth of an economy.

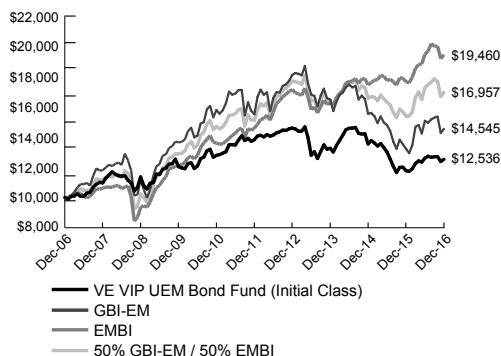
VANECK VIP UNCONSTRAINED EMERGING MARKETS BOND FUND

PERFORMANCE COMPARISON

December 31, 2016 (unaudited)

This chart shows the value of a hypothetical \$10,000 investment in the Fund over the past 10 fiscal year periods or since inception (for funds lacking 10-year records). The result is compared with the Fund's benchmark, and may include a broad-based market index

Hypothetical Growth of \$10,000 (Ten Year: Initial Class)



On May 1, 2013, the Van Eck VIP Global Bond Fund implemented changes to its principal investment strategies and changed its name to the Van Eck VIP Unconstrained Emerging Markets Bond Fund. On May 1, 2015, the Van Eck VIP Unconstrained Emerging Markets Bond Fund changed its primary benchmark from the GBI-EM to the blended benchmark of 50% EMBI and 50% GBI-EM to reflect the unconstrained long-only nature of the Fund.

Average Annual

Total Return 12/31/16	Fund Initial Class	GBI-EM	EMBI	50% GBI-EM 50% EMBI
One Year	6.42%	9.94%	10.15%	10.15%
Five Year	(1.95)%	(1.29)%	5.91%	2.32%
Ten Year	2.29%	3.82%	6.88%	5.42%

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. Performance information current to the most recent month end is available by calling 800.826.2333 or by visiting vaneck.com.

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 that are not reflected in this report or in the Fund's performance, since they are not direct expenses of the Fund. 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.

The 50/50 benchmark ("the Index") is a blended index consisting of 50% J.P. Morgan Emerging Markets Bond Index (EMBI) Global Diversified and 50% J.P. Morgan Government Bond Index-Emerging Markets Global Diversified (GBI-EM). The J.P. Morgan Government Bond Index-Emerging Markets Global Diversified (GBI-EM) tracks local currency bonds issued by Emerging Markets governments. The index spans over 15 countries. J.P. Morgan Emerging Markets Bond Index (EMBI) Global Diversified tracks returns for actively traded external debt instruments in emerging markets, and is also J.P. Morgan's most liquid U.S.-dollar emerging markets debt benchmark.

VANECK VIP UNCONSTRAINED EMERGING MARKETS BOND FUND

EXPLANATION OF EXPENSES

(unaudited)

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, July 1, 2016 to December 31, 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.

	Beginning Account Value July 1, 2016	Ending Account Value December 31, 2016	Expenses Paid During the Period* July 1, 2016 - December 31, 2016
VanEck VIP Unconstrained Emerging Markets Bond Fund			
Actual	\$1,000.00	\$ 993.90	\$5.51
Hypothetical**	\$1,000.00	\$1,019.61	\$5.58

* Expenses are equal to the Fund's annualized expense ratio (for the six months ended December 31, 2016), of 1.10%, 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

VANECK VIP UNCONSTRAINED
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SCHEDULE OF INVESTMENTS

December 31, 2016

Principal Amount	Value	Principal Amount	Value
CORPORATE BONDS: 48.5%		British Virgin Islands: 0.8%	
Argentina: 10.1%		USD 217,032	QGOG Atlantic / Alaskan Rigs Ltd. 5.25%, 01/30/17 (c) Reg S
USD 360,000	Arcor SAIC 6.00%, 07/06/20 (c) 144A		\$ 208,350
	\$ 376,200	Cayman Islands: 0.4%	
320,000	Banco Hipotecario SA 9.75%, 11/30/20 144A	103,000	Lima Metro Line 2 Finance Ltd. 5.88%, 07/05/34 Reg S
	341,600		109,180
229,000	Cia General de Combustibles SA 9.50%, 11/07/19 (c) 144A	Georgia: 1.3%	
	231,519	350,000	BGEO Group JSC 6.00%, 07/26/23 144A
305,000	IRSA Propiedades Comerciales SA 8.75%, 03/23/20 (c) 144A		351,575
	323,681	Indonesia: 3.0%	
120,000	Pan American Energy LLC 7.88%, 05/07/21 Reg S	529,000	Pertamina Persero PT 4.88%, 05/03/22 Reg S
	126,300	256,000	5.25%, 05/23/21 Reg S
273,000	Petrobras Argentina SA 7.38%, 07/21/20 (c) Reg S		270,025
	266,857		815,027
205,882	YPF SA 8.41%, 08/15/18 (f) Reg S	Ireland: 1.7%	
	208,971	276,000	MMC Norilsk Nickel OJSC via MMC Finance Ltd. 6.63%, 10/14/22 Reg S
760,000	8.50%, 03/23/21 Reg S	137,000	Novolipetsk Steel via Steel Funding DAC 4.50%, 06/15/23 Reg S
	817,076		136,618
27,000	8.88%, 12/19/18 Reg S		444,910
	29,437	Israel: 3.0%	
	<u>2,721,641</u>	260,000	Israel Electric Corp. Ltd. 5.00%, 11/12/24 Reg S 144A
Brazil: 1.4%		522,000	5.63%, 06/21/18 Reg S
364,000	Centrais Eletricas Brasileiras SA 6.88%, 07/30/19 Reg S		271,198
	382,655		544,394
			<u>815,592</u>

See Notes to Financial Statements

Principal Amount		Value		Principal Amount		Value
Kazakhstan: 3.7%				Mexico: (continued)		
	KazMunayGas National Co. JSC		USD 114,000	Petroleos Mexicanos		
USD 126,000	7.00%, 05/05/20 Reg S	\$ 138,761		4.61%, 03/11/22 (f) 144A		\$ 117,705
471,000	9.13%, 07/02/18 Reg S	512,837		TV Azteca SAB de CV		
362,000	Zhaikmunai LLP 6.38%, 02/14/17 (c) Reg S	353,855	117,000	7.50%, 01/30/17 (c) Reg S		104,715
		<u>1,005,453</u>	214,000	7.63%, 09/18/17 (c) Reg S		<u>170,665</u>
Luxembourg: 4.6%						<u>1,334,940</u>
125,000	Evraz Group SA 8.25%, 01/28/21 Reg S	137,662	Netherlands: 9.1%			
	Gazprom OAO Via Gaz Capital SA		137,000	Kazakhstan Temir Zholy Finance BV		
536,000	3.85%, 02/06/20 Reg S	544,873		6.38%, 10/06/20 Reg S		147,483
240,000	8.15%, 04/11/18 Reg S	256,772	300,000	Lukoil International Finance BV		
126,000	9.25%, 04/23/19 (p) Reg S	142,975		4.56%, 04/24/23 Reg S		303,477
228,000	QGOG Constellation SA 6.25%, 01/30/17 (c) Reg S	151,620	733,000	Petrobras Global Finance BV		718,706
		<u>1,233,902</u>	472,000	5.38%, 01/27/21		507,088
			720,000	7.88%, 03/15/19		777,600
				8.38%, 05/23/21		<u>2,454,354</u>
Mexico: 4.9%			Peru: 2.1%			
489,000	Coca-Cola Femsa SAB de CV 3.88%, 11/26/23	500,617	115,000	Banco de Credito del Peru		
120,000	Corp. GEO SAB de CV 9.25%, 01/30/17 (c) (d) * Reg S	30		2.25%, 10/25/19 144A		113,706
421,000	Gruma SAB de CV 4.88%, 09/01/24 (c) Reg S	441,208	266,000	Cia Minera Ares SAC		
				7.75%, 01/23/18 (c) Reg S		286,615
			146,000	Minsur SA		
				6.25%, 02/07/24 Reg S		<u>152,935</u>
						<u>553,256</u>

See Notes to Financial Statements

VANECK VIP UNCONSTRAINED
EMERGING MARKETS BOND FUND

SCHEDULE OF INVESTMENTS

(continued)

Principal Amount		Value		Principal Amount		Value	
United Kingdom: 2.4%				Costa Rica: 2.0%			
USD	167,000	5.13%, 08/01/22	\$ 166,641	USD	143,000	4.25%, 01/26/23 Reg S	\$ 131,203
	82,000	5.38%, 04/15/20	84,460		354,000	10.00%, 08/01/20 Reg S	418,527
	390,000	Vedanta Resources Plc 6.00%, 01/31/19 Reg S	393,900				<u>549,730</u>
			<u>645,001</u>				
Total Corporate Bonds				Dominican Republic: 0.8%			
(Cost: \$12,949,137)				189,000 Dominican Republic International Bond 7.50%, 05/06/21 Reg S			
<u>13,075,836</u>				<u>205,602</u>			
FOREIGN GOVERNMENT OBLIGATIONS: 47.7%				Egypt: 0.5%			
Argentina: 1.3%				133,000 Egypt Government International Bond 5.75%, 04/29/20 Reg S			
ARS	176	Argentine Republic Government International Bond 5.83%, 12/31/33	78				<u>134,842</u>
USD	346,000	Provincia de Buenos Aires 5.75%, 06/15/19 144A	<u>361,207</u>	El Salvador: 1.7%			
			<u>361,285</u>	456,000 El Salvador Government International Bond 7.38%, 12/01/19 Reg S			
Armenia: 0.8%				<u>473,100</u>			
	206,000	Republic of Armenia International Bond 6.00%, 09/30/20 Reg S	<u>213,334</u>	Guatemala: 0.7%			
Belarus: 2.5%				210,000 Guatemala Government Bond 4.50%, 05/03/26 144A			
	640,000	Republic of Belarus International Bond 8.95%, 01/26/18 Reg S	<u>664,768</u>	<u>202,387</u>			
Brazil: 4.4%				Honduras: 0.5%			
BRL	3,995,000	Nota do Tesouro Nacional, Series F 10.17%, 01/01/21	<u>1,185,144</u>	114,000 Honduras Government International Bond 8.75%, 12/16/20 Reg S			
				<u>127,498</u>			
				Indonesia: 0.4%			
				114,000 Indonesia Government International Bond 3.70%, 01/08/22 144A			
				<u>114,541</u>			

See Notes to Financial Statements

Principal Amount		Value	Principal Amount		Value
Ivory Coast: 1.8%			Paraguay: 0.5%		
USD 490,000	Ivory Coast Government International Bond		USD 124,000	Paraguay Government International Bond	
	5.38%,			5.00%,	
	07/23/24 Reg S	\$ 473,690		04/15/26 144A	\$ 126,480
Jordan: 0.2%			Peru: 3.4%		
57,000	Jordan Government International Bond			Corp. Financiera de Desarrollo SA	
	5.75%,		633,000	3.25%,	
	01/31/27 144A	54,138	26,000	07/15/19 Reg S	642,495
Mongolia: 6.8%				4.75%,	
	Mongolia Government International Bonds		254,000	02/08/22 Reg S	27,300
343,000	4.13%,			Fondo Mivivienda SA	
	01/05/18 Reg S	333,567		3.38%,	
467,000	5.13%,			04/02/19 Reg S	258,445
	12/05/22 Reg S	400,464			928,240
1,039,000	10.88%,		Rwanda: 1.3%		
	04/06/21 Reg S	1,094,917	350,000	Rwanda Government International Bond	
		1,828,948		6.63%,	
Pakistan: 3.4%				05/02/23 Reg S	347,803
173,000	Pakistan Government International Bond		Serbia: 1.0%		
	7.25%,		240,000	Serbia International Bond	
	04/15/19 Reg S	183,787		7.25%,	
356,000	Second Pakistan International Sukuk Co. Ltd.			09/28/21 Reg S	268,267
	6.75%,		South Korea: 4.8%		
	12/03/19 Reg S	377,521	346,000	Export-Import Bank of Korea	
357,000	Third Pakistan International Sukuk Co. Ltd.			1.34%,	
	5.50%,		357,000	10/21/19 (f)	345,152
	10/13/21 144A	363,216		2.13%,	
		924,524	599,000	02/11/21	348,422
				Korea Development Bank	
				1.38%,	
				09/12/19	588,997
					1,282,571

See Notes to Financial Statements

VANECK VIP UNCONSTRAINED EMERGING MARKETS BOND FUND

SCHEDULE OF INVESTMENTS

(continued)

Principal Amount	Value	Principal Amount	Value
Suriname: 2.5%		Vietnam: 1.3%	
USD 687,000		USD 343,200	
Republic of Suriname		Vietnam Government	
International Bond		International Bond	
9.25%, 10/26/26 144A	\$ 672,229	4.00%, 02/02/17 (c) (s)	\$ 342,630
Turkey: 4.6%		Total Foreign Government Obligations	
421,000		(Cost: \$12,865,305)	12,878,632
Export Credit Bank of Turkey			
5.88%, 04/24/19 Reg S	431,601		
770,000		Number of Shares	
Turkey Government International Bond		MONEY MARKET FUND: 2.4%	
7.00%, 03/11/19	820,050	(Cost: \$650,356)	
	1,251,651	650,356	AIM Treasury Portfolio —
		Institutional Class	650,356
Ukraine: 0.5%		Total Investments: 98.6%	
144,000		(Cost: \$26,464,798)	26,604,824
Ukraine Government International Bond		Other assets less liabilities: 1.4%	372,318
7.75%, 09/01/19 Reg S	145,230	NET ASSETS: 100.0%	<u>\$26,977,142</u>

ARS Argentine Peso

BRL Brazilian Real

USD United States Dollar

(c) Callable Security – the redemption date shown is when the security may be redeemed by the issuer

(d) Security in default

(f) Floating Rate Bond – coupon reflects the rate in effect at the end of the reporting period

(p) Puttable Security – the redemption date shown is when the security may be redeemed by the investor

(s) Step Bond – coupon increases periodically based upon a predetermined schedule. The rate shown reflects the rate in effect at the end of the reporting period

* Non-income producing

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 \$4,021,382, or 14.9% of net assets.

See Notes to Financial Statements

**Summary of Investments
by Sector (unaudited)**

	% of Investments	Value
Basic Materials	6.3%	\$ 1,667,123
Communications	1.0	275,380
Consumer, Non-cyclical	5.0	1,318,025
Energy	27.2	7,229,806
Financial	4.2	1,130,562
Government	48.4	12,878,632
Industrial	1.0	256,693
Utilities	4.5	1,198,247
Money Market Fund	2.4	650,356
	<u>100.0%</u>	<u>\$26,604,824</u>

The summary of inputs used to value the Fund's investments as of December 31, 2016 is as follows:

	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Value
Corporate Bonds*	\$ —	\$13,075,836	\$ —	\$13,075,836
Foreign Government Obligations*	—	12,878,632	—	12,878,632
Money Market Fund	650,356	—	—	650,356
Total	<u>\$650,356</u>	<u>\$25,954,468</u>	<u>\$ —</u>	<u>\$26,604,824</u>

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

There were no transfers between levels during the year ended December 31, 2016.

VANECK VIP UNCONSTRAINED
EMERGING MARKETS BOND FUND

STATEMENT OF ASSETS AND LIABILITIES

December 31, 2016

Assets:

Investments, at value (Cost \$26,464,798)	\$26,604,824
Cash denominated in foreign currency, at value (Cost \$48)	46
Receivables:	
Shares of beneficial interest sold	10,826
Dividends and interest	448,757
Prepaid expenses	745
Total assets	<u>27,065,198</u>

Liabilities:

Payables:	
Shares of beneficial interest redeemed	20,883
Due to Adviser	20,005
Deferred Trustee fees	12,929
Accrued expenses	34,239
Total liabilities	<u>88,056</u>

NET ASSETS \$26,977,142

Shares of beneficial interest outstanding	<u>3,322,604</u>
Net asset value, redemption and offering price per share	<u>\$ 8.12</u>

Net Assets consist of:

Aggregate paid in capital	\$29,725,257
Net unrealized appreciation	142,564
Undistributed net investment income	627,990
Accumulated net realized loss	<u>(3,518,669)</u>
	<u>\$26,977,142</u>

STATEMENT OF OPERATIONS

For the Year Ended December 31, 2016

Income:

Dividends	\$ 3,995
Interest (net of foreign taxes withheld of \$6,005)	<u>1,512,847</u>
Total income	<u>1,516,842</u>

Expenses:

Management fees	\$293,931
Transfer agent fees	19,957
Custodian fees	20,520
Professional fees	33,109
Reports to shareholders	17,742
Insurance	1,906
Trustees' fees and expenses	1,209
Interest	804
Other	<u>6,062</u>
Total expenses	395,240
Waiver of management fees	<u>(72,120)</u>
Net expenses	<u>323,120</u>
Net investment income	<u>1,193,722</u>

Net realized gain (loss) on:

Investments (net of foreign taxes of \$7,871)	850,155
Forward foreign currency contracts, foreign currency transactions and foreign denominated assets and liabilities	<u>(161,531)</u>
Net realized gain	<u>688,624</u>

Net change in unrealized appreciation (depreciation) on:

Investments	23,142
Forward foreign currency contracts, foreign currency transactions and foreign denominated assets and liabilities	<u>28,809</u>
Net change in unrealized appreciation (depreciation)	<u>51,951</u>

Net Increase in Net Assets Resulting from Operations	<u><u>\$1,934,297</u></u>
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VANECK VIP UNCONSTRAINED
EMERGING MARKETS BOND FUND

STATEMENT OF CHANGES IN NET ASSETS

	Year Ended December 31, 2016	Year Ended December 31, 2015
Operations:		
Net investment income	\$ 1,193,722	\$ 2,173,798
Net realized gain (loss)	688,624	(6,509,727)
Net change in unrealized appreciation (depreciation) . .	51,951	(397,688)
Net increase (decrease) in net assets resulting from operations	<u>1,934,297</u>	<u>(4,733,617)</u>
Dividends to shareholders from:		
Net investment income	—	<u>(2,211,375)</u>
Share transactions*:		
Proceeds from sale of shares	7,898,583	6,357,141
Reinvestment of dividends	—	2,211,375
Cost of shares redeemed	<u>(12,338,375)</u>	<u>(9,166,533)</u>
Net decrease in net assets resulting from share transactions	<u>(4,439,792)</u>	<u>(598,017)</u>
Total decrease in net assets	<u>(2,505,495)</u>	<u>(7,543,009)</u>
Net Assets:		
Beginning of year	<u>29,482,637</u>	<u>37,025,646</u>
End of year (including undistributed (accumulated) net investment income (loss) of \$627,990 and \$(13,871), respectively)	<u>\$26,977,142</u>	<u>\$29,482,637</u>
* Shares of beneficial interest issued, reinvested and redeemed (unlimited number of \$.001 par value shares authorized):		
Shares sold	992,481	759,538
Shares reinvested	—	247,912
Shares redeemed	<u>(1,534,308)</u>	<u>(1,110,550)</u>
Net decrease	<u>(541,827)</u>	<u>(103,100)</u>

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each year:

Initial Class Shares

	Year Ended December 31,				
	2016	2015	2014	2013	2012
Net asset value, beginning of year	\$ 7.63	\$ 9.33	\$10.60	\$11.92	\$11.71
Income from investment operations:					
Net investment income . . .	0.36	0.56	0.67	0.60	0.24
Net realized and unrealized gain (loss) on investments	<u>0.13</u>	<u>(1.70)</u>	<u>(0.49)</u>	<u>(1.67)</u>	<u>0.39</u>
Total from investment operations	<u>0.49</u>	<u>(1.14)</u>	<u>0.18</u>	<u>(1.07)</u>	<u>0.63</u>
Less dividends and distributions from:					
Net investment income . . .	—	(0.56)	(0.56)	(0.25)	(0.26)
Net realized capital gains . .	<u>—</u>	<u>—</u>	<u>(0.89)</u>	<u>—(b)</u>	<u>(0.16)</u>
Total dividends and distributions	<u>—</u>	<u>(0.56)</u>	<u>(1.45)</u>	<u>(0.25)</u>	<u>(0.42)</u>
Redemption fees	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—(b)</u>
Net asset value, end of year . .	<u>\$ 8.12</u>	<u>\$ 7.63</u>	<u>\$ 9.33</u>	<u>\$10.60</u>	<u>\$11.92</u>
Total return (a)	6.42%	(13.09)%	2.18%	(9.17)%	5.55%

Ratios/Supplemental Data

Net assets, end of year (000's)	\$26,977	\$29,483	\$37,026	\$39,857	\$54,529
Ratio of gross expenses to average net assets	1.34%	1.34%	1.20%	1.43%	1.18%
Ratio of net expenses to average net assets	1.10%	1.10%	1.10%	1.10%	1.10%
Ratio of net expenses, excluding interest expense, to average net assets	1.10%	1.10%	1.10%	1.10%	1.10%
Ratio of net investment income to average net assets	4.06%	6.38%	6.34%	4.87%	2.10%
Portfolio turnover rate	595%	572%	441%	483%	0%

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of the year, 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 year. 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) Amount represents less than \$0.005 per share

See Notes to Financial Statements

VANECK VIP UNCONSTRAINED EMERGING MARKETS BOND FUND

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

Note 1—Fund Organization—VanEck VIP Trust (the “Trust”) (formerly Van Eck VIP 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 Unconstrained Emerging Markets Bond Fund (the “Fund”) is a non-diversified series of the Trust and seeks high total return (income plus capital appreciation) by investing globally, primarily in a variety of debt securities. The Fund currently offers a single class of shares: Initial Class Shares.

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. Debt securities are valued on the basis of evaluated prices furnished by an independent pricing service approved by the Board of Trustees or provided by securities dealers. The pricing services may use valuation models or matrix pricing, which consider: (i) yield or price with respect to bonds that are considered comparable in characteristics such as rating, interest rate and maturity date and/or (ii) quotations from bond dealers to determine current value and are categorized as Level 2 in the fair value hierarchy (as described below). 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. Forward foreign currency contracts are valued at the spot currency rate plus an amount (“points”), which reflects the differences in interest rates between the U.S. and foreign markets and are categorized as Level 2 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 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 on 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

VANECK VIP UNCONSTRAINED EMERGING MARKETS BOND FUND

NOTES TO FINANCIAL STATEMENTS

(continued)

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. Foreign denominated 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 in the financial statements. 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 forward foreign currency contracts, 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. 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. GAAP requires enhanced disclosures about the Fund's derivative instruments and hedging activities. Details of this disclosure are found below. At December 31, 2016, the Fund held no derivative instruments.

Forward Foreign Currency Contracts—The Fund is subject to foreign currency risk in the normal course of pursuing its investment objectives. The Fund may buy and sell forward foreign currency contracts to settle purchases and sales of foreign denominated securities, gain currency exposure or to hedge foreign denominated assets. Realized gains and losses from forward foreign currency contracts, if any, are included in net realized gain (loss) on forward foreign currency contracts, foreign currency transactions and foreign denominated assets and liabilities in the Statement of Operations. The Fund may incur additional risk from investments in forward foreign currency contracts if the counterparty is unable to fulfill its obligation or there are unanticipated movements of the foreign currency relative to the U.S. dollar. The Fund held forward foreign currency contracts for seven months during the year ended December 31, 2016 with an average unrealized depreciation of \$2,923. At December 31, 2016, the Fund held no forward foreign currency contracts.

The impact of transactions in derivative instruments during the year ended December 31, 2016, was as follows:

Foreign Currency Risk

Realized gain (loss):	
Forward foreign currency contracts ² . .	\$(86,563)
Net change in unrealized appreciation (depreciation):	
Forward foreign currency contracts ³ . .	(2,411)

² Statement of Operations location: Net realized gain (loss) on forward foreign currency contracts, foreign currency transactions and foreign denominated assets and liabilities

³ Statement of Operations location: Net change in unrealized appreciation (depreciation) on forward foreign currency contracts, foreign currency transactions and foreign denominated assets and liabilities

F. Offsetting Assets and Liabilities—In the ordinary course of business, the Fund enters into transactions subject to enforceable master netting or other similar agreements. Generally, the right of setoff in those agreements allows the Fund to set off any exposure to a specific counterparty with

VANECK VIP UNCONSTRAINED EMERGING MARKETS BOND FUND

NOTES TO FINANCIAL STATEMENTS

(continued)

any collateral received or delivered to that counterparty based on the terms of the agreements. The Fund may pledge or receive cash and/or securities as collateral for derivative instruments. Collateral, if any, held at December 31, 2016 is presented in the Schedule of Investments.

G. Other—Security transactions are accounted for on trade date. Dividend income is recorded on the ex-dividend date. Interest income, including amortization of premiums and discounts, is accrued as earned. Realized gains and losses are calculated on the identified cost basis. Estimated foreign taxes that are expected to be withheld from proceeds at the sale of certain foreign investments are accrued by the Fund and decrease the unrealized gain on investments. 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 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, 2017, to voluntarily 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 1.10% of the Fund's average daily net assets. For the year ended December 31, 2016, the Adviser waived management fees in the amount of \$72,120.

In addition, Van Eck Securities Corporation, an affiliate of the Adviser, acts as the Fund's distributor (the "Distributor"). Certain officers and trustees of the Trust are officers, directors or stockholders of the Adviser and Distributor.

Note 4—Investments—For the year ended December 31, 2016, the cost of purchases and proceeds from sales of investments, excluding U.S. government securities and short-term obligations, aggregated to \$163,236,201 and \$163,652,481, respectively.

Note 5—Income Taxes—For Federal income tax purposes, the identified cost of investments owned at December 31, 2016 was \$26,492,985 and net unrealized appreciation aggregated to \$111,839, of which \$388,663 related to appreciated securities and \$276,824 related to depreciated securities.

At December 31, 2016, the components of accumulated earnings, on a tax basis, were as follows:

Undistributed ordinary income	\$ 640,916
Accumulated capital losses	(3,490,482)
Other temporary differences	(12,929)
Unrealized appreciation	114,377
Total	<u><u>\$(2,748,118)</u></u>

The tax character of dividends and distributions paid to shareholders was as follows:

	Year Ended December 31, 2016	Year Ended December 31, 2015
Ordinary income	\$ —	\$2,211,375

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>
\$70,543	\$3,419,939

During the year ended December 31, 2016, the Fund utilized \$1,132,619 of capital loss carryforwards.

During the year ended December 31, 2016, as a result of permanent book to tax differences, the Fund decreased undistributed net investment income by \$551,861, decreased accumulated net realized loss on investments by \$462,968 and increased aggregate paid in capital by \$88,893. Net assets were not affected by this reclassification. These differences are primarily due to foreign currency transactions, adjustment on defaulted bonds and tax treatment of gain/loss on debt instruments denominated in foreign currency.

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 returns filed 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.

VANECK VIP UNCONSTRAINED EMERGING MARKETS BOND FUND

NOTES TO FINANCIAL STATEMENTS

(continued)

The Fund recognizes interest and penalties, if any, related to uncertain tax positions as income tax expense in the Statement of Operations. During the year ended December 31, 2016, the Fund did not incur any interest or penalties.

Note 6—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 security transaction clearance and settlement practices and future adverse political and economic developments. These risks are heightened for investments in emerging markets 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 invest in debt securities which are rated below investment grade by rating agencies. Such securities involve more risk of default than higher rated securities and are subject to greater price variability.

As a result of events involving Ukraine and the Russian Federation, the United States and the European Union (“EU”) 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 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 December 31, 2016, the aggregate shareholder accounts of five insurance companies own approximately 49%, 22%, 9%, 6% and 5% of the Fund’s outstanding shares of beneficial interest.

Note 7—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 8—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 year ended December 31, 2016, the average daily loan balance during the 25 day period for which a loan was outstanding amounted to \$686,943 and the average interest rate was 1.75%. At December 31, 2016, the Fund had no outstanding borrowings under the Facility.

Note 9—Recent Accounting Pronouncements and Regulatory Requirements—The Fund adopted Accounting Standards Update No. 2014-15 (“ASU 2014-15”), *Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern*, which requires management to assess the Fund’s ability to continue as a going concern and to provide related disclosures in certain circumstances. Under the new standard, disclosures are required when conditions give rise to substantial doubt about a company’s ability to continue as a going concern within one year from the financial statement issuance date. Based on management’s evaluation, there are no conditions or events that could adversely affect the Fund’s ability to meet its obligations within one year after the date the financial statements are issued. Accordingly, no disclosures are required specific to going concern uncertainties in the Fund’s financial statements.

In October 2016, the Securities and Exchange Commission (the “SEC”) released its Final Rule on Investment Company Reporting Modernization (the “Rule”). The Rule, which introduces two new regulatory reporting forms for investment companies – Form N-PORT and Form N-CEN – also contains amendments to Regulation S-X which impact financial statement presentation, particularly the presentation of derivative investments. Although still evaluating the impact of the Rule, management believes that many of the Regulation S-X amendments are consistent with the Fund’s current financial statement presentation and expects that the Fund will be able to comply with the Rule’s Regulation S-X amendments by the August 1, 2017 compliance date.

VANECK VIP UNCONSTRAINED
EMERGING MARKETS BOND FUND

NOTES TO FINANCIAL STATEMENTS

(continued)

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.

A dividend of \$0.194 per share from net investment income was declared and paid on January 31, 2017 to shareholders of record of the Initial Class Shares as of January 30, 2017 with a reinvestment date of January 31, 2017.

REPORT OF INDEPENDENT REGISTERED PUBLIC
ACCOUNTING FIRM

**The Board of Trustees of VanEck VIP Trust and Shareholders of
VanEck VIP Unconstrained Emerging Markets Bond Fund**

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of VanEck VIP Unconstrained Emerging Markets Bond Fund (one of the series constituting VanEck VIP Trust) (the "Fund") as of December 31, 2016, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Fund's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2016, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of VanEck VIP Unconstrained Emerging Markets Bond Fund (one of the series constituting VanEck VIP Trust) at December 31, 2016, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

New York, New York
February 15, 2017

VAN ECK VIP UNCONSTRAINED
EMERGING MARKETS BOND FUND

TAX INFORMATION

(unaudited)

The Fund intends to pass through foreign tax credits in the maximum amounts shown. The gross foreign source income earned during the fiscal year 2016 by the Fund is shown below.

Fund Foreign Tax Credits

\$13,875

Gross Foreign Source Income

\$1,676,690

VANECK VIP TRUST

BOARD OF TRUSTEES AND OFFICERS

December 31, 2016 (unaudited)

Trustee's Name, Address ⁽¹⁾ and Year of Birth	Position(s) Held With Trust, Term of Office ⁽²⁾ and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Portfolios In Fund Complex ⁽³⁾ Overseen By Trustee	Other Directorships Held Outside The Fund Complex ⁽³⁾ During The Past Five Years
Independent Trustees:				
Jon Lukomnik 1956 (A)(G)	Trustee since March 2006	Managing Partner, Sinclair Capital LLC (consulting firm), 2000 to present; Executive Director, Investor Responsibility Research Center Institute, 2008 to present.	12	Member of the Deloitte Audit Quality Advisory Committee; Chairman of the Advisory Committee of Legion Partners; Member of the Standing Advisory Group to the Public Company Accounting Oversight Board; formerly Chairman of the Board of the New York Classical Theatre; formerly Director of The Governance Fund, LLC.
Jane DiRenzo Pigott 1967 (A)(G)	Trustee since July 2007; Currently, Chairperson of the Governance Committee	Managing Director, R3 Group LLC (consulting firm), 2002 to present.	12	Formerly, Director and Chair of Audit Committee of 3E Company (environmental services); formerly Director of MetLife Investment Funds, Inc.
Wayne H. Shaner 1947 (A)(G)	Trustee since March 2006	Managing Partner, Rockledge Partners LLC, 2003 to present (investment adviser); Public Member of the Investment Committee, Maryland State Retirement System, 1991 to 2014.	12	Director, The Torrey Funds (1 portfolio), since 1993 (Chairman of the Board since December 2005).

VANECK VIP TRUST

BOARD OF TRUSTEES AND OFFICERS

December 31, 2016 (unaudited) (continued)

Trustee's Name, Address ⁽¹⁾ and Year of Birth	Position(s) Held With Trust, Term of Office ⁽²⁾ and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Portfolios In Fund Complex ⁽³⁾ Overseen By Trustee	Other Directorships Held Outside The Fund Complex ⁽³⁾ During The Past Five Years
R. Alastair Short 1953 (A)(G)	Trustee since June 2004; Currently, Vice Chairperson of the Board and Chairperson of the Audit Committee	President, Apex Capital Corporation (personal investment vehicle), January 1988 to present; Vice Chairman, W.P. Stewart & Co., Ltd. (asset management firm), September 2007 to September 2008.	70	Chairman and Independent Director, EULAV Asset Management; Independent Director, Tremont offshore funds; Director, Kenyon Review; formerly Director of The Medici Archive Project.
Richard D. Stamberger 1959 (A)(G)	Trustee since 1995; Currently, Chairperson of the Board	Director, President and CEO, SmartBrief, Inc. (business media company), 1999 to present.	70	Director, SmartBrief, Inc.; Director, Food and Friends, Inc.
Robert L. Stelzl 1945 (A)(G)	Trustee since July 2007	President, Rivas Capital, Inc. (real estate property management services company), 2004 to present; Co-Trustee, the estate of Donald Koll, 2012 to present; Trustee, Robert D. MacDonald Trust, 2015 to present; Trustee, Joslyn Family Trusts, 2003 to 2014.	12	Director and Chairman, Brookfield Properties, Inc. and Brookfield Residential Properties, Inc.

(1) The address for each Trustee and officer is 666 Third Avenue, 9th Floor, New York, New York 10017.

(2) Each Trustee serves until resignation, death, retirement or removal. The Board established a mandatory retirement policy applicable to all Independent Trustees, which provides that Independent Trustees shall resign from the Board on December 31 of the year such Trustee reaches the age of 75.

(3) The Fund Complex consists of VanEck Funds, VanEck VIP Trust and VanEck Vectors ETF Trust.

(A) Member of the Audit Committee.

(G) Member of the Governance Committee.

Officer's Name, Address⁽¹⁾ And Year of Birth	Position(s) Held With Trust	Term of Office And Length of Time Served⁽²⁾	Principal Occupations During The Past Five Years
Matthew A. Babinsky, 1983	Assistant Vice President and Assistant Secretary	Since 2016	Assistant Vice President and Assistant General Counsel of the Adviser, Van Eck Securities Corporation (VESC) and Van Eck Absolute Return Advisers VEARA (since 2016); Associate, Clifford Chance US LLP (October 2011 to April 2016); Officer of other investment companies advised by the Adviser.
Russell G. Brennan, 1964	Assistant Vice President and Assistant Treasurer	Since 2008	Assistant Vice President of the Adviser (since 2008); Officer of other investment companies advised by the Adviser.
Charles T. Cameron, 1960	Vice President	Since 1996	Director of Trading (since 1995) and Portfolio Manager (since 1997) for the Adviser; Officer of other investment companies advised by the Adviser.
John J. Crimmins, 1957	Vice President, Treasurer, Chief Financial Officer and Principal Accounting Officer	Since 2009 (Treasurer); since 2012 (Vice President, Chief Financial Officer and Principal Accounting Officer)	Vice President of Portfolio Administration of the Adviser (since 2009); Vice President of Van Eck Securities Corporation (VESC) and Van Eck Absolute Return Advisers (VEARA) (since 2009); Officer of other investment companies advised by the Adviser.
Susan C. Lashley, 1955	Vice President	Since 1998	Vice President of the Adviser and VESC; Officer of other investment companies advised by the Adviser.
Laura I. Martinez, 1980	Assistant Vice President and Assistant Secretary	Since 2008	Vice President (since 2016), Associate General Counsel and Assistant Secretary of the Adviser, VESC and VEARA (since 2008); Officer of other investment companies advised by the Adviser.
James Parker, 1969	Assistant Treasurer	Since 2014	Manager, Portfolio Administration of the Adviser, VESC and VEARA (since 2010); Vice President of J.P. Morgan Financial Reporting and Fund Administration (2002-2010).
Jonathan R. Simon, 1974	Vice President, Secretary and Chief Legal Officer	Since 2006 (Vice President and until 2014, also Assistant Secretary); since 2014 (Secretary and Chief Legal Officer)	Senior Vice President (since 2016), General Counsel and Secretary (since 2014) of the Adviser, VESC and VEARA; Associate General Counsel and Assistant Secretary of the Adviser, VESC and VEARA (2006-2014); Officer of other investment companies advised by the Adviser.

VANECK VIP TRUST

BOARD OF TRUSTEES AND OFFICERS

December 31, 2016 (unaudited) (continued)

Officer's Name, Address⁽¹⁾ And Year of Birth	Position(s) Held With Trust	Term of Office And Length of Time Served⁽²⁾	Principal Occupations During The Past Five Years
Bruce J. Smith, 1955	Senior Vice President	Since 1985	Senior Vice President, Chief Financial Officer, Treasurer and Controller of the Adviser, VESC and VEARA (since 1997); Director of the Adviser, VESC and VEARA (since October 2010); Officer of other investment companies advised by the Adviser.
Janet Squitieri, 1961	Chief Compliance Officer	Since 2013	Vice President, Global Head of Compliance of the Adviser, VESC and VEARA (since September 2013); Chief Compliance Officer and Senior Vice President of HSBC Global Asset Management North America (August 2010-September 2013); Chief Compliance Officer of Babcock & Brown LP North America (July 2008-June 2010).
Jan F. van Eck, 1963	Chief Executive Officer and President	Since 2005 (serves as Chief Executive Officer and President since 2010, prior thereto, served as Executive Vice President)	President, Director and Owner of the Adviser (since July 1993); Executive Vice President of the Adviser (January 1985-October 2010); Director (since November 1985), President (since October 2010) and Executive Vice President (June 1991-October 2010) of VESC; Director and President of VEARA (since May 1997); Trustee (since 2006), President and Chief Executive Officer of Market Vectors ETF Trust (since 2009); Officer of other investment companies advised by the Adviser.

(1) The address for each Executive Officer is 666 Third Avenue, 9th Floor, New York, New York, NY 10017.

(2) Officers are elected yearly by the Board.

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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, 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.

VanEckTM

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