



SEMI-ANNUAL REPORT
June 30, 2017
(unaudited)

VanEck VIP Trust

VanEck VIP Global Gold 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 Class S shares of the VanEck VIP Global Gold Fund (the “Fund”) rose 9.72% during the six months ended June 30, 2017, outperforming the NYSE Arca Gold Miners Index¹ (GDMNTR) which gained 5.29% for the same period. The small-cap gold mining stocks, as represented by the MVISTM Global Junior Gold Miners Index² (MVGDXJTR) gained 3.47%.

During this period, the Fund’s outperformance compared to its benchmark largely stemmed from its overweight exposure to junior gold mining companies, specifically among junior developers, and mid-tier gold mining companies. Collectively, the contribution from the Fund’s positions in junior developers and mid-tiers was significantly more than the contribution the benchmark gained from these segments of the equity market.

Gold Sector Overview

- Gold closed at \$1,241.55 per ounce on June 30, 2017, up \$89.29 per ounce or 7.75% during the six month period.
- Gold had an encouraging start to the year as markets began to reflect reality following the irrational euphoria that followed the November U.S. presidential election with the risks of a Trump presidency coming into clearer focus.
- By mid-January gold had moved through the \$1,200 level and managed to hold this level through the first quarter despite mixed economic statistics and the implementation by the U.S. Federal Reserve (Fed) of its first 2017 rate hike on March 15.
- A weaker U.S. dollar, upticks in inflation, political activity in the U.S. and continued global geopolitical uncertainty, we believe, were also supportive of gold earlier in the year.
- In the first part of April, gold gained support from weaker than expected U.S. economic data and resumed weakness in the U.S. dollar.
- In early May the outcome of the French presidential election fueled risk-on sentiment and pushed gold down.
- Fed raised rates for the fourth time in this rate hiking cycle. A common pattern emerged for the first three rate hikes with gold price weakness ahead of the hikes, followed by a rally to higher prices immediately after each hike. This pattern then changed, as gold

VANECK VIP GLOBAL GOLD FUND

(unaudited) (continued)

reached its high for the year (\$1,298 per ounce) on June 7 before the hike and subsequently trended lower for the rest of the month.

- Gold came under pressure again as hawkish statements by the Fed following the Federal Open Market Committee (FOMC) meeting raised the odds of a fifth rate increase later in 2017.

Fund Review

At the end of June 2017, the Fund was almost fully invested in equities, with cash holdings representing 0.5% of net assets. The Fund held no gold bullion during the period under review.

There were no material changes to the portfolio or its allocations during the first half of the year.

Among the Fund's top holdings, Fresnillo (4.5% of Fund net assets[†]) outperformed significantly, gaining 29.4% during the first six months of the year. We believe this outperformance reflects the company's attractive valuation which is supported by a portfolio of high quality assets and an excellent growth profile.

Continental Gold (3.7% of Fund net assets[†]) underperformed (falling 10.4%). We believe the underperformance is related to heavy selling of Continental shares following an index announcement on April 12 indicating a rule change for the MVIS™ Global Junior Gold Miners Index. The change resulted in Continental's weight in the index being reduced. We believe Continental shares are valued attractively at present.

Outlook

The market is now in the midst of the summer doldrums, a time when physical demand is at its lowest, trading volumes can be light, and, as we saw in late June and early July, the bears come out to play. The gold price is testing the \$1,200 per ounce level for the third time this year. If \$1,200 fails, then it will go on to test the \$1,175 base of the uptrend that has developed over the past 18 months. Successfully holding above these price levels would be very positive technically and psychologically for the market.

Fundamentally, we believe the market is well supported around current levels because physical demand in India and China continues to improve and geopolitics in the Middle East and Korea along with uncertainty surrounding the U.S. political climate benefit gold. The U.S. dollar

appears to be in decline and positioning in the futures market suggests that there could be more buying ahead.

We continue to be positive on the gold price in the longer term. Based on what we see and hear every day, all of us can think of possible “black swan”³ events that might propel gold much higher. When we look at the economic cycle in the U.S., we find a more compelling investment case. Gold would likely benefit from U.S. dollar weakness if the Fed is unable to raise rates later this year.

In the longer term, when the economy and markets eventually see a downturn, the risks to the financial system will probably be substantial. Historically, excessive leverage is the core cause of financial upheaval. A shrinking economy magnifies debt problems and, with interest rates still far below normal, would likely see the Fed again resort to quantitative easing and maybe more extreme intervention, such as debt monetization. Gold as a sound money alternative can act as a hedge against such risks.

The Fund is subject to the risks associated with concentrating its assets in the gold industry, which can be significantly affected by international economic, monetary and political developments. The Fund’s overall portfolio may decline in value due to developments specific to the gold industry. The Fund’s investments in foreign securities involve risks related to adverse political and economic developments unique to a country or a region, currency fluctuations or controls, and the possibility of arbitrary action by foreign governments, including the takeover of property without adequate compensation or imposition of prohibitive taxation. The Fund is subject to risks associated with investments in derivatives, commodity-linked instruments, illiquid securities, and small- or mid-cap companies. The Fund is also subject to inflation risk, market risk, non-diversification risk, leverage risk, and risks of investments in a wholly owned subsidiary. Please see the prospectus for information on these and other risk considerations.

VANECK VIP GLOBAL GOLD FUND

(unaudited) (continued)

We appreciate your continued investment in the VanEck VIP Global Gold Fund, and we look forward to helping you meet your investment goals in the future.



Joseph M. Foster
Portfolio Manager

July 19, 2017



Imaru Casanova
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.

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.

- ¹ NYSE Arca Gold Miners (GDMNTR) Index is a market capitalization-weighted index comprised of publicly traded companies involved primarily in the mining for gold.
- ² MVIS™ Global Junior Gold Miners Index (MVGDXJTR) is a rules-based, modified market capitalization-weighted, float-adjusted index comprised of a global universe of publicly traded small- and medium-capitalization companies that generate at least 50% of their revenues from gold and/or silver mining, hold real property that has the potential to produce at least 50% of the company's revenue from gold or silver mining when developed, or primarily invest in gold or silver.
- ³ Financial Times Lexicon: "An event or occurrence that deviates beyond what is normally expected of a situation and that would be extremely difficult to predict." This term was popularized by Nassim Nicholas Taleb's book "The Black Swan: The Impact of the Highly Improbable. Mr Taleb is a finance professor and former Wall Street trader." <http://lexicon.ft.com/Term?term=black-swan>.

TOP TEN EQUITY HOLDINGS*

June 30, 2017 (unaudited)

B2Gold Corp.	6.4%
Agnico-Eagle Mines Ltd.	4.8%
Fresnillo plc	4.5%
Evolution Mining Ltd.	4.4%
Newmont Mining Corp.	4.1%
Alamos Gold, Inc.	3.7%
Continental Gold, Inc.	3.7%
Torex Gold Resources, Inc.	3.5%
Randgold Resources Ltd.	3.2%
Royal Gold, Inc.	3.0%

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

VANECK VIP GLOBAL GOLD 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, 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.

	Beginning Account Value January 1, 2017	Ending Account Value June 30, 2017	Expenses Paid During the Period* January 1, 2017 - June 30, 2017
Van Eck VIP Global Gold Fund			
Actual	\$1,000.00	\$1,097.20	\$7.54
Hypothetical**	\$1,000.00	\$1,017.60	\$7.25

* Expenses are equal to the Fund's annualized expense ratio (for the six months ended June 30, 2017), of 1.45%, 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 GLOBAL GOLD FUND

CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2017 (unaudited)

Number of Shares	Value	Number of Shares	Value
COMMON STOCKS: 103.1%		Canada: (continued)	
Australia: 13.4%		296,000	Bonterra Resources, Inc. * # \$ ø \$ 104,997
574,118	Cardinal Resources Ltd. * # \$ 233,807	84,863	Brio Gold, Inc. * 163,601
512,592	Evolution Mining Ltd. # 951,398	176,000	Columbus Gold Corp. * 96,361
979,465	Gold Road Resources Ltd. * # 505,186	266,843	Continental Gold, Inc. * 786,043
27,700	Newcrest Mining Ltd. # 429,897	69,150	Corvus Gold, Inc. * 39,993
99,600	Northern Star Resources Ltd. # 364,383	21,000	Corvus Gold, Inc. (USD) * 11,216
66,539	OceanaGold Corp. (CAD) 200,623	28,652	Detour Gold Corp. * 335,393
214,100	Saracen Mineral Holdings Ltd. * # 192,823	189,600	Eastmain Resources, Inc. * 48,248
	2,878,117	107,019	First Mining Finance Corp. * 54,467
Canada: 73.0%		20,400	Fortuna Silver Mines, Inc. (USD) * 99,756
6,537	Agnico-Eagle Mines Ltd. 294,790	61,906	Gold Standard Ventures Corp. (USD) * 105,859
16,100	Agnico-Eagle Mines Ltd. (USD) 726,432	39,700	Goldcorp, Inc. (USD) 512,527
1,100	Alamos Gold, Inc. 7,804	87,400	Guyana Goldfields, Inc. * 409,772
108,440	Alamos Gold, Inc. (USD) 778,599	93,000	IAMGOLD Corp. (USD) * 479,880
191,900	Argonaut Gold, Inc. * 350,712	786,670	Integra Gold Corp. * 570,226
2,700	Asanko Gold, Inc. * 4,143	136,400	Kinross Gold Corp. (USD) * 555,148
62,900	Asanko Gold, Inc. (USD) * 96,237	62,752	Kirkland Lake Gold Ltd. 593,744
133,900	Atacama Pacific Gold Corp. * 72,278	134,800	Klondex Mines Ltd. * 454,253
202,775	AuRico Metals, Inc. * 178,257	104,000	Leagold Mining Corp. * 189,266
25,880	AuRico Metals, Inc. (USD) * 22,516	217,242	Liberty Gold Corp. * 67,009
38,100	Auryn Resources, Inc. * 89,609	24,800	Lundin Gold, Inc. * 105,182
32,917	B2Gold Corp. * 92,649	19,200	MAG Silver Corp. (USD) * 250,368
453,571	B2Gold Corp. (USD) * 1,274,534	90,000	Midas Gold Corp. * 49,969
24,500	Barrick Gold Corp. (USD) 389,795	2,500	New Gold, Inc. * 7,943
114,700	Bear Creek Mining Corp. * 185,742	105,100	New Gold, Inc. (USD) * 334,218
218,000	Belo Sun Mining Corp. * 100,864	123,864	Newcastle Gold Ltd. * 85,964
154,088	Bonterra Resources, Inc. * 54,658	38,900	NovaGold Resources, Inc. (USD) * 177,384
		296,688	Orezone Gold Corp. * 167,013

See Notes to Consolidated Financial Statements

Number of Shares	Value	Number of Shares	Value
Canada: (continued)		Mexico: 4.5%	
46,700 Osisko Mining, Inc. * 144A	\$ 147,648	49,500 Fresnillo Plc (GBP) #	\$ 959,544
17,000 Osisko Mining, Inc. *	53,748	United Kingdom: 3.2%	
130,100 Otis Gold Corp. *	29,094	7,700 Randgold Resources Ltd. (ADR)	681,142
12,000 Pan American Silver Corp. (USD)	201,840	United States: 9.0%	
86,800 Premier Gold Mines Ltd. *	196,116	27,500 Newmont Mining Corp.	890,725
5,100 Pretium Resources, Inc. *	49,002	8,300 Royal Gold, Inc.	648,811
24,000 Pretium Resources, Inc. (USD) *	230,640	16,654 Tahoe Resources, Inc. (CAD)	143,578
8,500 Richmond Mines, Inc. * Reg S	66,201	30,500 Tahoe Resources, Inc.	262,910
12,500 Richmond Mines, Inc. (USD) *	97,500		<u>1,946,024</u>
19,200 Roxgold, Inc. * 144A	16,582	Total Common Stocks	
244,800 Roxgold, Inc. *	211,425	(Cost: \$17,750,484)	<u>22,146,074</u>
454,000 Rye Patch Gold Corp. *	80,521	WARRANTS: 0.0%	
318,000 Sabina Gold and Silver Corp. *	490,438	(Cost: \$0)	
93,700 Semafo, Inc. *	216,042	Canada: 0.0%	
4,500 Sulliden Mining Capital, Inc. *	902	62,450 Liberty Gold Corp. Warrants (CAD 0.90, expiring 05/16/19) *	5,899
37,200 TMAC Resources, Inc. * Reg S	416,521	MONEY MARKET FUND: 0.5%	
39,870 Torex Gold Resources, Inc. *	760,322	(Cost: \$98,269)	
337,900 West African Resources Ltd. * # § ø	87,875	98,269 AIM Treasury Portfolio—Institutional Class	98,269
23,400 Wheaton Precious Metals Corp. (USD)	465,426	Total Investments: 103.6%	
5,323 Yamana Gold, Inc.	12,848	(Cost: \$17,848,753)	22,250,242
113,225 Yamana Gold, Inc. (USD)	275,137	Liabilities in excess of other assets: (3.6)%	
	<u>15,681,247</u>		(768,952)
		NET ASSETS: 100.0%	
			<u>\$21,481,290</u>

ADR American Depositary Receipt

CAD Canadian Dollar

GBP British Pound

USD United States Dollar

* 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 \$3,829,910 which represents 17.8% of net assets.

See Notes to Consolidated Financial Statements

VANECK VIP GLOBAL GOLD FUND

CONSOLIDATED SCHEDULE OF INVESTMENTS

(unaudited) (continued)

- § Illiquid Security – the aggregate value of illiquid securities is \$192,872 which represents 0.9% of net assets.
- Reg S Security was purchased pursuant to Regulation S under the Securities Act of 1933, which exempts from registration securities offered and sold outside of the United States. Such a security cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration.
- 144A Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended, or otherwise restricted. These securities may be resold in transactions exempt from registration, unless otherwise noted, and the value amounted to \$164,230, or 0.8% of net assets.
- ∅ Restricted Security – the aggregate value of restricted securities is \$192,872, or 0.9% of net assets.

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

Security	Acquisition Date	Number of Shares	Acquisition Cost	Value	% of Net Assets
Bonterra Resources, Inc.	02/07/2017	296,000	\$ 62,938	\$104,997	0.5%
West African Resources Ltd.	06/23/2017	337,900	81,501	87,875	0.4
			<u>\$144,439</u>	<u>\$192,872</u>	<u>0.9%</u>

Summary of Investments by Sector

	% of Investments	Value
Diversified Metals & Mining	3.7%	\$ 817,561
Gold	84.7	18,863,579
Precious Metals & Minerals	6.5	1,453,443
Silver	4.6	1,017,390
Money Market Fund	0.5	98,269
	<u>100.0%</u>	<u>\$22,250,242</u>

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

	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Value
Common Stocks				
Australia	\$ 200,623	\$2,677,494	\$ —	\$ 2,878,117
Canada	15,488,375	192,872	—	15,681,247
Mexico	—	959,544	—	959,544
United Kingdom	681,142	—	—	681,142
United States	1,946,024	—	—	1,946,024
Warrants				
Canada	5,899	—	—	5,899
Money Market Fund	98,269	—	—	98,269
Total	<u>\$18,420,332</u>	<u>\$3,829,910</u>	<u>\$ —</u>	<u>\$22,250,242</u>

There were no transfers between levels during the period ended June 30, 2017.

See Notes to Consolidated Financial Statements

VANECK VIP GLOBAL GOLD FUND

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

June 30, 2017 (unaudited)

Assets:

Investments, at value (Cost \$17,848,753)	\$22,250,242
Cash denominated in foreign currency, at value (Cost \$16)	16
Receivables:	
Investments sold	149,347
Shares of beneficial interest sold	29,058
Dividends	1,046
Prepaid expenses	8,023
Total assets	<u>22,437,732</u>

Liabilities:

Payables:	
Investments purchased	164,952
Shares of beneficial interest redeemed	768,118
Due to Adviser	5,313
Due to Distributor	4,512
Deferred Trustee fees	7,681
Accrued expenses	5,866
Total liabilities	<u>956,442</u>

NET ASSETS \$21,481,290

Shares of beneficial interest outstanding 2,877,166

Net asset value, redemption and offering price per share \$ 7.47

Net Assets consist of:

Aggregate paid in capital	\$22,837,639
Net unrealized appreciation	4,401,422
Accumulated net investment loss	(1,293,404)
Accumulated net realized loss	<u>(4,464,367)</u>
	<u>\$21,481,290</u>

VANECK VIP GLOBAL GOLD FUND

CONSOLIDATED STATEMENT OF OPERATIONS

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

Income:

Dividends (net of foreign taxes withheld of \$4,618) \$ 60,070

Expenses:

Management fees \$ 81,796
Distribution fees 27,265
Transfer agent fees 11,066
Administration fees 27,265
Custodian fees 13,749
Professional fees 27,183
Reports to shareholders 9,162
Insurance 600
Trustees' fees and expenses 947
Interest 216
Other 534

Total expenses 199,783

Waiver of management fees (40,260)

Net expenses 159,523

Net investment loss (99,453)

Net realized loss on:

Investments (1,053,177)

Foreign currency transactions and foreign denominated
assets and liabilities (3,091)

Net realized loss (1,056,268)

Net change in unrealized appreciation (depreciation) on:

Investments 2,897,414

Foreign currency transactions and foreign denominated
assets and liabilities (67)

Net change in unrealized appreciation (depreciation) 2,897,347

Net Increase in Net Assets Resulting from Operations \$ 1,741,626

VANECK VIP GLOBAL GOLD FUND
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

	Six Months Ended June 30, 2017	Year Ended December 31, 2016
	<u>(unaudited)</u>	<u></u>
Operations:		
Net investment loss	\$ (99,453)	\$ (183,976)
Net realized loss	(1,056,268)	(1,861,430)
Net change in unrealized appreciation (depreciation) . .	<u>2,897,347</u>	<u>4,229,270</u>
Net increase in net assets resulting from operations	<u>1,741,626</u>	<u>2,183,864</u>
Dividends to shareholders from:		
Net investment income	<u>(992,773)</u>	<u>(53,580)</u>
Share transactions*:		
Proceeds from sale of shares	8,063,320	25,568,826
Reinvestment of dividends	992,773	53,580
Cost of shares redeemed	<u>(7,847,315)</u>	<u>(15,978,774)</u>
Net increase in net assets resulting from share transactions	<u>1,208,778</u>	<u>9,643,632</u>
Total increase in net assets	1,957,631	11,773,916
Net Assets:		
Beginning of period	<u>19,523,659</u>	<u>7,749,743</u>
End of period (including accumulated net investment loss of \$(1,293,404) and \$(201,178), respectively)	<u>\$21,481,290</u>	<u>\$19,523,659</u>
* Shares of beneficial interest issued, reinvested and redeemed (unlimited number of \$.001 par value shares authorized):		
Shares sold	1,044,292	3,072,541
Shares reinvested	126,468	11,473
Shares redeemed	<u>(1,039,906)</u>	<u>(1,941,798)</u>
Net increase	<u>130,854</u>	<u>1,142,216</u>

See Notes to Consolidated Financial Statements

VANECK VIP GLOBAL GOLD FUND

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period:

	For the Six Months Ended June 30, 2017 (unaudited)	Year Ended December 31,			For the Period April 26, 2013 (a) through December 31, 2013
		2016	2015	2014	
Net asset value,					
beginning of period	\$7.11	\$4.83	\$6.42	\$6.85	\$8.88
Income from investment operations:					
Net investment loss	(0.03)	(0.04)	(0.02)	(0.04)	(0.02)
Net realized and unrealized gain (loss) on investments	0.74	2.35	(1.54)	(0.36)	(2.01)
Total from investment operations	0.71	2.31	(1.56)	(0.40)	(2.03)
Less dividends and distributions from:					
Net investment income . .	(0.35)	(0.03)	—	(0.03)	—
Net realized capital gains . .	—	—	(0.03)	—	—
Total dividends and distributions	(0.35)	(0.03)	(0.03)	(0.03)	—
Net asset value, end of period . .	\$7.47	\$7.11	\$4.83	\$6.42	\$6.85
Total return (b)	9.72%(c)	48.25%	(24.43)%	(5.89)%	(22.86)%(c)

Ratios/Supplemental Data

Net assets,					
end of period (000's)	\$21,481	\$19,524	\$7,750	\$7,599	\$4,820
Ratio of gross expenses to average net assets	1.83%(d)	1.84%	2.46%	2.41%	4.82%(d)
Ratio of net expenses to average net assets	1.45%(d)	1.45%	1.45%	1.45%	1.45%(d)
Ratio of net expenses, excluding interest expense, to average net assets	1.45%(d)	1.45%	1.45%	1.45%	1.45%(d)
Ratio of net investment loss to average net assets	(0.91)%(d)	(1.00)%	(0.57)%	(0.88)%	(0.55)%(d)
Portfolio turnover rate	29%(c)	57%	44%	33%	33%(c)

(a) Commencement of operations

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

(c) Not annualized

(d) Annualized

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 Gold Fund (the “Fund”) is a non-diversified series of the Trust and seeks long-term capital appreciation by investing in common stocks of gold-mining companies or directly in gold bullion and other metals. The Fund may effect certain investments through the wholly owned VIP Gold Fund Subsidiary (the “Subsidiary”). The Fund currently offers a single class of shares: Class S 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. 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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futures contracts. The Fund may also fair value securities in other situations, 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 Consolidated 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 Consolidated 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 Consolidated Schedule of Investments.

B. Basis for Consolidation—The Subsidiary, a Cayman Islands exempted company, was incorporated on January 25, 2013. The Subsidiary acts as an investment vehicle in order to effect certain investments on behalf of the Fund. All interfund account balances and transactions between the Fund and Subsidiary have been eliminated in consolidation. As of June 30, 2017, the Fund held \$12,214 in its Subsidiary, representing 0.06% of the Fund's net assets.

C. 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.

D. 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 Consolidated Statement of Operations.

- E. 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.
- F. 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 price may be difficult. Information regarding restricted securities, if any, is included at the end of the Fund's Consolidated Schedule of Investments.
- G. Warrants**—The Fund may invest in warrants whose values are linked to indices or underlying instruments. The Fund may use these warrants to gain exposure to markets that might be difficult to invest in through conventional securities. Warrants may be more volatile than their linked indices or underlying instruments. Potential losses are limited to the amount of the original investment. Warrants held at June 30, 2017 are reflected in the Consolidated Schedule of Investments.
- H. 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 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.

I. 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 identified cost basis.

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 0.75% of the first \$500 million of the Fund's average daily net assets, 0.65% of the next \$250 million of average daily net assets and 0.50% of the average daily net assets in excess of \$750 million. The Adviser has agreed, until at least until 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 1.45% of the Fund's average daily net assets. For the period ended June 30, 2017, the Adviser waived management fees in the amount of \$40,260.

The Adviser also performs accounting and administrative services for the Fund. The Adviser is paid a monthly fee at a rate of 0.25% of the average daily net assets for the Fund per year on the first \$750 million of the average daily net assets and 0.20% per year of the average daily net assets in excess of \$750 million. During the period ended June 30, 2017, the Adviser received \$27,265 from the Fund pursuant to this contract.

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 April 26, 2013. The Fund has adopted a Distribution Plan (the "Plan") in accordance with Rule 12b-1 under the 1940 Act. Pursuant to the Plan, the Fund is authorized to incur distribution expenses which will principally be payments to securities dealers who have sold shares and serviced shareholder accounts and payments to the Distributor for reimbursement of other actual promotion and distribution expenses incurred

VANECK VIP GLOBAL GOLD FUND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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by the Distributor on behalf of the Fund. The amount paid in any one year is 0.25% of the Fund's average daily net assets.

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 \$7,187,369 and \$6,142,754, respectively.

Note 6—Income Taxes—For Federal income tax purposes, the identified cost of investments owned at June 30, 2017 was \$20,427,191 and net unrealized appreciation aggregated to \$1,823,051, of which \$5,091,114 related to appreciated securities and \$3,268,063 related to depreciated securities.

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

Ordinary income	\$53,580
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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>
\$1,418,409	\$629,051

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 expected to be 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 consolidated financial statements. The Fund is subject to foreign taxes on the appreciation in value of certain investments. The Fund provides for such taxes on both realized and unrealized appreciation.

The Fund recognizes interest and penalties, if any, related to uncertain tax positions as income tax expense in the Consolidated 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. In addition, the Fund may invest up to 25% of its net assets in gold and silver coins, gold, silver, platinum and palladium bullion and exchange traded funds that invest in such coins and bullion and derivatives on the foregoing. 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 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 Adviser owned approximately 2% of the Fund's outstanding shares of beneficial interest. Additionally, the aggregate shareholder accounts of two insurance companies owned approximately 75% and 20% of the Fund's outstanding shares of beneficial interest.

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

The expense for the Deferred Plan is included in “Trustees’ fees and expenses” in the Consolidated Statement of Operations. The liability for the Deferred Plan

VANECK VIP GLOBAL GOLD FUND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(unaudited) (continued)

is shown as “Deferred Trustee fees” in the Consolidated 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 average daily loan balance during the 22 day period for which a loan was outstanding amounted to \$261,012 and the average interest rate was 2.19%. At June 30, 2017, the Fund had no outstanding 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 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 consolidated financial statements were issued.

**VANECK VIP GLOBAL GOLD 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

APPROVAL OF ADVISORY AGREEMENT

(unaudited) (continued)

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") and (iii) an appropriate benchmark index;
- A report prepared by an independent consultant comparing the advisory fees and other expenses of a representative class of shares of the Fund during its fiscal year ended December 31, 2016 with a similar share class of each fund in the (i) Category and (ii) Peer Group;
- A supplemental report prepared by an independent consultant comparing total management fee rates, which include both advisory and administrative fee rates on a combined basis (the "Management Fee Rates"), and, separately, the administrative fee rates and advisory fee rates with respect to a representative class of shares of the Fund during its fiscal year ended December 31, 2016 with those of the Fund's (i) Category and (ii) Peer Group;
- An analysis of the profitability of the Adviser with respect to its services for the Fund and the VanEck complex of mutual funds as a whole (the "VanEck Complex");
- Information regarding other investment products and services offered by the Adviser involving investment objectives and strategies similar to the Fund ("Comparable Products"), including the fees charged by the Adviser for managing the Comparable Products, a description of material differences and similarities in the services provided by the Adviser for the Fund and the Comparable Products, the sizes of the Comparable Products and

the identity of the individuals responsible for managing the Comparable Products;

- Information concerning the Adviser's compliance program, the resources devoted to compliance efforts undertaken by the Adviser on behalf of the Fund, and reports regarding a variety of compliance-related issues;
- Information with respect to the Adviser's brokerage practices, including the Adviser's processes for monitoring best execution of 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

APPROVAL OF ADVISORY AGREEMENT

(unaudited) (continued)

intermediaries (collectively, “Servicing Arrangements”), including a description of the services provided by the intermediaries pursuant to such Servicing Arrangements and the payment terms of the Servicing Arrangements, as well as reports regarding the amounts paid pursuant to the Servicing Arrangements and the amounts paid to intermediaries with respect to the Fund by the Adviser pursuant to any revenue sharing arrangements and Servicing Arrangements (to the extent not paid by the Fund);

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

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

and cybersecurity; and (9) the ability of the Adviser to attract and retain quality professional personnel to perform investment advisory and administrative services for the Fund.

The Board considered the fact that the Adviser is managing other investment products, including exchange-traded funds, hedge funds, separate accounts and UCITs, one or more of which may invest in the same financial markets and may be managed by the same investment professionals according to a similar investment objective and/or strategy as the Fund. The Board concluded that the management of these products contributes to the Adviser's financial stability and is helpful to the Adviser in attracting and retaining quality portfolio management personnel for the Fund. In addition, the Board concluded that the Adviser has established appropriate procedures to monitor conflicts of interest involving the management of the Fund and the other products and for resolving any such conflicts of interest in a fair and equitable manner.

The performance data and the advisory fee and expense ratio data described below for the Fund is based on data for a representative class of shares of the Fund. The performance data is net of expenses for periods on an annualized basis ended March 31, 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 Peer Group median, as well as its benchmark index, for the one- and three-year periods. The Board also noted that the Fund had outperformed its Category median for the one-year period and had equaled its Category median for the three-year period. The Board concluded that the performance of the Fund was satisfactory.

Fees and Expenses. The Board noted that the Fund pays an advisory fee, as well as a separate administrative fee. The Board further noted that the fee rate payable for advisory services was lower than the median advisory fee rates of its Peer Group and Category. The Board also noted that the Fund's total expense ratio, net of waivers or reimbursements, was lower than the median expense ratios of its Peer Group and Category. The Board also noted that the Management Fee Rate (which includes both advisory and administrative fee rates) was equal to the median Management Fee Rates of its Peer Group and Category. The Board further noted that the Adviser has agreed to

APPROVAL OF ADVISORY AGREEMENT

(unaudited) (continued)

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.

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, 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.

VanEck[®]

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