



SEMI-ANNUAL REPORT
June 30, 2017
(unaudited)

VanEck VIP Trust

VanEck VIP Long/Short Equity Index 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 VanEck VIP Long/Short Equity Index Fund (the “Fund”) gained 1.62% (Class S shares) for the six month period ended June 30, 2017. The Fund seeks to track, before fees and expenses, the performance of the MVIS™ North America Long/Short Equity Index¹ (the “Index”). For the period, the Index returned 2.23%.

The Index follows a rules-based methodology to capture the performance of a group of North America-focused long/short equity hedge funds.² Each month, the Index provider enhances the average performance of the funds by excluding from its index computation the risk-adjusted returns of funds that differ significantly from the average of the group as a whole. The exclusion of such outliers from the index computation aims to reduce the volatility of the Index that the Fund holds. This methodology produced returns with an annualized daily volatilities of 4.15% and 4.13%, respectively, for the Fund and the Index.

The lower volatility reflected the diversified allocation of the Fund’s assets among debt ETFs, equity ETFs, and cash during the period.

Fund’s Average Asset Allocation Jan-Jun 2017

Currency	Equity	High Yield Debt	US T-Bills
5%	31%	6%	58%

The equity allocation itself was split primarily between growth and value with only a small portion allocated to ETFs that invest in both.

Fund’s Average Equity Style Allocations Jan-Jun 2017

Growth	Value	Blend
56%	40%	4%

Technology (45%) and financials (42%) were the two largest specific industry allocations, with diversified (2%), consumer discretionary (6%), and industrial (5%) allocations accounting for the remainder.

Diversified	Consumer Discretionary	Technology	Financials	Industrials
2%	6%	45%	42%	5%

Market Overview

Technology ETFs outperformed most other sectors in the first six months of 2017, posting positive returns for every month but June when they sold off. In contrast, monthly returns of financial ETFs, led by banks, oscillated between gains and losses. With the Fund’s equity allocations

VANECK VIP LONG/SHORT EQUITY INDEX FUND

(unaudited) (continued)

split almost evenly between those two sectors, the Fund performed best when both sectors posted gains, and modestly otherwise. Despite its small gain for the period, the Fund had positive returns before fees in every month but March.

Outlook

The Fund's extremely low volatility in 2017 reflects the underlying model's reaction to the uneven performance of different sectors in the equity markets. It continues to maintain a significant allocation to growth and especially technology ETFs because those sectors have had steadier positive performances than others for the past several years that correspond to the "lookback" period for the model. This is likely to persist until other sectors begin to perform similarly, or until the performance of growth sectors weakens.

The Fund is subject to market risk, including possible loss of principal. Because the Fund is a "fund-of funds," an investor will indirectly bear the principal risks of the exchange-traded products in which it invests, including but not limited to, risks associated with smaller companies, foreign securities, emerging markets, debt securities, commodities and derivatives. With respect to derivatives, the use of leverage may magnify losses. The Fund will bear its share of the fees and expenses of the exchange traded products. Consequently, an investment in the Fund entails more direct and indirect expenses than a direct investment in an exchange-traded product. Because the Fund invests in exchange-traded products, it is subject to additional risks that do not apply to conventional mutual funds, including the risks that the market price of an exchange-traded product's shares may be higher or lower than the value of its underlying assets, there may be a lack of liquidity in the shares of the exchange-traded product, or trading may be halted by the exchange on which they trade. Debt securities may be subject to credit risk and interest rate risk. Investments in debt securities typically decrease in value when interest rates rise. The Fund may actively engage in short selling, which entails special risks. If the Fund makes short sales in securities that increase in value, the fund will lose value. Because the Adviser relies heavily on proprietary quantitative models, the Fund is also subject to model and data risk. Please see the prospectus for information on these and other risk considerations.

We look forward to your participation in the VanEck VIP Long/Short Equity Index Fund and to helping you meet your investment needs in the future.



Marc S. Freed
Portfolio Manager



David Schassler
Deputy Portfolio Manager

July 19, 2017

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 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.

VANECK VIP LONG/SHORT EQUITY INDEX FUND

(unaudited) (continued)

¹ MVIS™ North America Long/Short Equity Index (MVLSNATR) is constructed using a rules-based process and seeks to capture the performance of a group of long/short equity hedge funds that focus on North American companies.

² “North American” means U.S. and Canadian exchanges only.

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.

VANECK VIP LONG/SHORT EQUITY INDEX FUND

EXPLANATION OF EXPENSES

(unaudited) (continued)

	Beginning Account Value January 1, 2017	Ending Account Value June 30, 2017	Expenses Paid During the Period* January 1, 2017 - June 30, 2017
Van Eck VIP Long/Short Equity Index Fund			
Actual	\$1,000.00	\$1,016.20	\$5.45
Hypothetical**	\$1,000.00	\$1,019.39	\$5.46

* Expenses are equal to the Fund's annualized expense ratio (for the six months ended June 30, 2017), of 1.09%, 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 LONG/SHORT EQUITY INDEX FUND

SCHEDULE OF INVESTMENTS

June 30, 2017 (unaudited)

Number of Shares	Value	Number of Shares	Value
EXCHANGE TRADED FUNDS (a): 57.3%		Money Market Fund: 8.4%	
927 iShares Russell		(Cost: \$126,980)	
1000 Growth		126,980 AIM Treasury	
Index Fund	\$ 110,332	Portfolio —	
3,678 Powershares QQQ		Institutional Class	\$ 126,980
Trust, Series 1	506,240		
6,650 SPDR Bloomberg		Total Short-Term Investments: 34.9%	
Barclays High Yield		(Cost: \$526,651)	526,651
Bond ETF	247,380	Total Investments: 92.2%	
Total Exchange Traded Funds		(Cost: \$1,390,673)	1,390,603
(Cost: \$864,022)	863,952	Other assets less	
Principal		liabilities (c): 7.8%	116,916
Amount		NET ASSETS: 100.0%	<u>\$1,507,519</u>

SHORT-TERM INVESTMENTS: 34.9%

Government Obligation: 26.5%

(Cost: \$399,671)

United States	
Treasury Bill	
\$400,000 0.87%, 08/03/17 (b)	399,671

(a) Each underlying fund's shareholder reports and registration documents are available free of charge on the SEC's website, at <https://www.sec.gov/>.

(b) All or a portion of this security is segregated to meet minimum reserve requirements with the broker for securities sold short transactions.

(c) Includes \$224,116 segregated cash on deposit with the broker.

Summary of Investments by Sector

	% of Investments	Value
Exchange Traded Funds	62.1%	\$ 863,952
Government	28.8	399,671
Money Market Fund	9.1	126,980
	<u>100.0%</u>	<u>\$1,390,603</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
Exchange Traded Funds	\$863,952	\$ —	\$ —	\$ 863,952
Short-Term Investments				
Government Obligation	—	399,671	—	399,671
Money Market Fund	126,980	—	—	126,980
Total	<u>\$990,932</u>	<u>\$399,671</u>	<u>\$ —</u>	<u>\$1,390,603</u>

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

See Notes to Financial Statements

VANECK VIP LONG/SHORT EQUITY INDEX FUND

STATEMENT OF ASSETS AND LIABILITIES

June 30, 2017 (unaudited)

Assets:

Investments, at value (Cost \$1,390,673)	\$1,390,603
Deposits with broker for securities sold short	224,116
Receivables:	
Investments sold	921,639
Due from Adviser	5,517
Dividends and interest	1,369
Prepaid expenses	5
Total assets	<u>2,543,249</u>

Liabilities:

Payables:	
Investments purchased	1,021,137
Shares of beneficial interest redeemed	21
Due to Distributor	308
Deferred Trustee fees	597
Accrued expenses	13,667
Total liabilities	<u>1,035,730</u>

NET ASSETS \$1,507,519

Shares of beneficial interest outstanding 59,980

Net asset value, redemption and offering price per share \$ 25.13

Net Assets consist of:

Aggregate paid in capital	\$1,490,849
Net unrealized depreciation	(70)
Undistributed net investment income	364
Accumulated net realized gain	16,376
	<u>\$1,507,519</u>

VANECK VIP LONG/SHORT EQUITY INDEX FUND

STATEMENT OF OPERATIONS

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

Income:

Dividends	\$ 7,258
Interest	1,850
Total income	<u>9,108</u>

Expenses:

Management fees	\$ 4,886
Distribution fees	1,879
Transfer agent fees	6,543
Custodian fees	1,295
Professional fees	18,270
Reports to shareholders	7,075
Insurance	40
Trustees' fees and expenses	240
Dividends on securities sold short	1,065
Other	298
Total expenses	<u>41,591</u>
Waiver of management fees	(4,886)
Expenses assumed by the Adviser	<u>(28,498)</u>
Net expenses	<u>8,207</u>
Net investment income	<u>901</u>

Net realized gain on:

Investments	31,225
Securities sold short	1,866
Net realized gain	<u>33,091</u>

Net change in unrealized appreciation (depreciation) on:

Investments	<u>(10,067)</u>
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Net Increase in Net Assets Resulting from Operations \$ 23,925

VANECK VIP LONG/SHORT EQUITY INDEX FUND

STATEMENT OF CHANGES IN NET ASSETS

	Six Months Ended June 30, 2017 (unaudited)	Year Ended December 31, 2016
Operations:		
Net investment income (loss)	\$ 901	\$ (7,099)
Net realized gain	33,091	42,223
Net change in unrealized appreciation (depreciation) . .	(10,067)	3,853
Net increase in net assets resulting from operations	<u>23,925</u>	<u>38,977</u>
Dividends to shareholders from:		
Net investment income	—	(2,686)
Share transactions*:		
Proceeds from sale of shares	61,058	1,242,320
Reinvestment of dividends	—	2,686
Cost of shares redeemed	<u>(85,582)</u>	<u>(1,044,578)</u>
Net increase (decrease) in net assets resulting from share transactions	<u>(24,524)</u>	<u>200,428</u>
Total increase (decrease) in net assets	(599)	236,719
Net Assets:		
Beginning of period	<u>1,508,118</u>	<u>1,271,399</u>
End of period (including undistributed (accumulated) net investment income (loss) of \$364 and \$(537), respectively)	<u>\$1,507,519</u>	<u>\$ 1,508,118</u>
* Shares of beneficial interest issued, reinvested and redeemed (unlimited number of \$.001 par value shares authorized):		
Shares sold	2,452	51,877
Shares reinvested	—	113
Shares redeemed	<u>(3,444)</u>	<u>(43,663)</u>
Net increase (decrease)	<u>(992)</u>	<u>8,327</u>

See Notes to Financial Statements

VANECK VIP LONG/SHORT EQUITY INDEX 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 September 17, 2014 (a) through December 31, 2014
		2016	2015	
Net asset value,				
beginning of period	\$24.73	\$24.15	\$25.45	\$25.15
Income from investment operations:				
Net investment income (loss)	0.01	(0.12)	0.03	0.05
Net realized and unrealized gain (loss) on investments . . .	0.39	0.75	(0.82)	0.25
Total from investment operations . .	0.40	0.63	(0.79)	0.30
Less dividends and distributions from:				
Net investment income	—	(0.05)	(0.05)	—
Net realized capital gains	—	—	(0.46)	—
Total dividends and distributions . .	—	(0.05)	(0.51)	—
Net asset value, end of period . . .	\$25.13	\$24.73	\$24.15	\$25.45
Total return (b)	1.62%(c)	2.62%	(3.10)%	1.19%(c)

Ratios/Supplemental Data

Net assets,				
end of period (000's)	\$1,508	\$1,508	\$1,271	\$1,029
Ratio of gross expenses to average net assets (e)	5.53%(d)	5.07%	8.12%	21.70%(d)
Ratio of net expenses to average net assets (e)	1.09%(d)	1.15%	1.06%	1.53%(d)
Ratio of net expenses, excluding dividends on securities sold short, to average net assets (e) . .	0.95%(d)	0.95%	0.95%	0.95%(d)
Ratio of net investment income (loss) to average net assets (e) . .	0.12%(d)	(0.51)%	0.15%	0.73%(d)
Portfolio turnover rate	448%(c)	798%	454%	276%(c)

(a) Commencement of operations

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

(c) Not annualized

(d) Annualized

(e) The ratios presented do not reflect the Fund's proportionate share of income and expenses from the Fund's investments in underlying Funds

See Notes to Financial Statements

VANECK VIP LONG/SHORT EQUITY INDEX FUND

NOTES TO FINANCIAL STATEMENTS

June 30, 2017 (unaudited)

Note 1—Fund Organization—VanEck VIP Trust (the “Trust”) is registered under the Investment Company Act of 1940, as amended, as an open-end management investment company. The Trust was organized as a Massachusetts business trust on January 7, 1987. The VanEck VIP Long/Short Equity Index Fund (the “Fund”) is a diversified series of the Trust and was created to provide investors with the opportunity to purchase a security representing a proportionate undivided interest in a portfolio of securities, consisting of substantially all of the same weighting in the MVIS North America Long/Short Equity Index, which is published by MV Index Solutions GmbH, a wholly-owned subsidiary of Van Eck Associates Corporation (the “Adviser”). 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. Exchange traded funds as well as closed-end publicly listed fund investments are valued at their official market closing price and are categorized as Level 1 in the fair value hierarchy (as described below). Money market fund investments are valued at net asset value and are classified as Level 1 in the fair value hierarchy. Securities traded on national exchanges or traded on the NASDAQ National Market System are valued at the last sales price as reported at the close of each business day. Securities traded on the NASDAQ Stock Market are valued at the NASDAQ official closing price. Over-the-counter securities not included in the NASDAQ National Market System and listed securities for which no sale was reported are valued at the mean of the bid and ask prices. To the extent these securities are actively traded they are categorized as Level 1 in the fair value hierarchy. Short-term debt securities with sixty days or less to maturity are valued at amortized cost, which with accrued interest

approximates market value. The Pricing Committee of the Adviser provides oversight of the Fund's valuation policies and procedures, which are approved by the Fund's Board of Trustees. Among other things, these procedures allow the Fund to utilize independent pricing services, quotations from securities dealers, and other market sources to determine fair value. The Pricing Committee convenes regularly to review the fair value of financial instruments or other assets. If market quotations for a security or other asset are not readily available, or if the Adviser believes it does not otherwise reflect the fair value of a security or asset, the security or asset will be fair valued by the Pricing Committee in accordance with the Fund's valuation policies and procedures. The Pricing Committee employs various methods for calibrating the valuation approaches utilized to determine fair value, including a regular review of key inputs and assumptions, periodic comparisons to valuations provided by other independent pricing services, transactional back-testing and disposition analysis.

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

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

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).

NOTES TO FINANCIAL STATEMENTS

(unaudited) (continued)

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

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

C. 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.

D. Securities Sold Short—A short sale occurs when a Fund sells a security, which it does not own, by borrowing it from a broker. Proceeds from securities sold short are reported as liabilities on the Statement of Assets and Liabilities and are marked to market daily in accordance with the fair value methodology described in Note 2A. Gains and losses are classified as realized when short positions are closed. In the event that the value of the security that the Fund sold short declines, the Fund will gain as it repurchases the security in the market at the lower price. If the price of the security increases, the Fund will suffer a loss, as it will have to repurchase the security at the higher price. Short sales may incur higher transaction costs than regular securities transactions. In order to satisfy certain minimum reserve requirements to initiate a short sale transaction, the Fund must pledge to the broker permissible liquid assets, which are held in a segregated account at the custodian. These segregated assets, if any, are reflected in the Schedule of Investments. Dividends and interest on short sales are recorded as an expense by the Fund on the ex-dividend date or interest payment date, respectively. Cash as collected is deposited in a segregated account, maintained by the Fund, for its open short sales. Until the Fund replaces the borrowed security, the Fund maintains securities or permissible liquid assets in a segregated account with a broker and/or custodian sufficient to cover its short positions. These segregated assets, if any, are reflected in the Schedule of Investments. At June 30, 2017, the Fund held no open short positions.

E. Restricted Securities—The Fund may invest in securities that are subject to legal or contractual restrictions on resale. These securities generally may be resold in transactions exempt from registration or to the public if the securities are registered. Disposal of these securities may involve time-consuming negotiations and expense, and prompt sale at an acceptable price may be difficult. Information regarding restricted securities, if any, is included at the end of the Fund's Schedule of Investments.

F. Use of Derivative Instruments—The Fund may make investments in derivative instruments, including, but not limited to, options, futures, swaps and other derivatives relating to foreign currency transactions. A derivative is an instrument whose value is derived from underlying assets, indices, reference rates or a combination of these factors. Derivative instruments may be privately negotiated contracts (often referred to as over the counter ("OTC") derivatives) or they may be listed and traded on an exchange. Derivative contracts may involve future commitments to purchase or sell financial instruments or commodities at specified terms on a specified date, or to exchange interest payment streams or currencies based on a notional or contractual amount. Derivative instruments may involve a high degree of financial risk. The use of derivatives instruments also involves the risk of loss if the investment adviser is incorrect in its expectation of the timing or level of fluctuations in securities prices, interest rates or currency prices. Investments in derivative instruments also include the risk of default by the counterparty, the risk that the investment may not be liquid and the risk that a small movement in the price of the underlying security or benchmark may result in a disproportionately large movement, unfavorable or favorable, in the price of the derivative instrument. The Fund held no derivative instruments during the period ended June 30, 2017.

G. Other—Security transactions are accounted for on trade date. Dividend income is recorded on the ex-dividend date. 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 annual rate of 0.65% of

VANECK VIP LONG/SHORT EQUITY INDEX FUND

NOTES TO FINANCIAL STATEMENTS

(unaudited) (continued)

the Fund's average daily net assets. The Adviser has agreed, until at least May 1, 2018, to waive management fees and assume expenses to prevent the Fund's total annual operating expenses (excluding acquired fund fees and expenses, interest expense, trading expenses, dividend and interest payments on securities sold short, taxes and extraordinary expenses) from exceeding 0.95% of the Fund's average daily net assets. For the period ended June 30, 2017, the Adviser waived management fees in the amount of \$4,886 and assumed other expenses of \$28,498.

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

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

Note 5—Investments—For the period ended June 30, 2017, the cost of purchases and proceeds from sales of investments, excluding U.S. government securities and short-term obligations, aggregated to \$3,291,592 and \$3,184,016 respectively. Proceeds of short sales and the cost of purchases of short sale covers aggregated to \$555,712 and \$553,846, respectively.

Note 6—Income Taxes—For Federal income tax purposes, the identified cost of investments owned at June 30, 2017 was \$1,390,957 and net unrealized depreciation aggregated to \$354, of which \$0 related to appreciated securities and \$354 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	\$2,686
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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:

**Post-Effective No Expiration
Short-Term Capital Losses**

\$16,431

The Fund recognizes the tax benefits of uncertain tax positions only where the position is “more-likely-than-not” to be sustained assuming examination by applicable tax authorities. Management has analyzed the Fund’s tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on return filings for all open tax years. Therefore, no provision for income tax is required in the Fund’s financial statements.

The Fund recognizes interest and penalties, if any, related to uncertain tax positions as income tax expense on the Statement of Operations. During the period ended June 30, 2017, the Fund did not incur any interest or penalties.

Note 7—Concentration Risk—The Fund may concentrate its investments in exchange traded products that invest directly in, or have exposure to, equity and debt securities, as well as other asset categories such as commodities and derivative instruments. Such investments may subject the exchange traded product to greater volatility than investments in traditional securities. The Fund may indirectly own foreign securities. 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.

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 68% of the Fund’s outstanding shares of beneficial interest. The aggregate shareholder accounts owned by one insurance company is approximately 31% of the Fund’s outstanding shares of beneficial interest.

NOTES TO FINANCIAL STATEMENTS

(unaudited) (continued)

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

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

Note 9—Bank Line of Credit—The Trust participates with VanEck Funds (collectively the “VE/VIP Funds”) in a \$30 million committed credit facility (the “Facility”) to be utilized for temporary financing until the settlement of sales or purchases of portfolio securities, the repurchase or redemption of shares of the Fund and other temporary or emergency purposes. The participating VE/VIP Funds have agreed to pay commitment fees, pro rata, based on the unused but available balance. Interest is charged to the VE/VIP Funds at rates based on prevailing market rates in effect at the time of borrowings. During the period ended June 30, 2017, the Fund had no borrowings under the Facility.

Note 10—Recent Accounting Pronouncements and Regulatory Requirements—In October 2016, the U.S. Securities and Exchange Commission (“SEC”) adopted new rules and forms, and amendments to certain current rules and forms, to modernize reporting and disclosure of information by registered investment companies. The amendments to Regulation S-X will require standardized, enhanced disclosure about derivatives in investment company financial statements, and will also change the rules governing the form and content of such financial statements. The compliance date for the amendments to Regulation S-X is August 1, 2017. Management has evaluated the impact that the adoption of the amendments to Regulation S-X will have on the Fund’s financial statements and related disclosures. Any required changes will be implemented for interim and annual periods after August 1, 2017.

Note 11—Subsequent Event Review—The Fund has evaluated subsequent events and transactions for potential recognition or disclosure through the date the financial statements were issued.

**VANECK VIP LONG/SHORT EQUITY INDEX 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 management, investment research and trading activities for the Fund, the structure of their compensation and the resources available to support these activities;

APPROVAL OF ADVISORY AGREEMENT

June 30, 2017 (unaudited) (continued)

- 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;
- 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;

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- Information regarding the procedures used by the Adviser in monitoring the valuation of portfolio securities, including the methodologies used in making fair value determinations, and the Adviser's due diligence process for recommending the selection of pricing vendors and monitoring the quality of the inputs provided by such vendors;
 - Information regarding how the Adviser safeguards the confidentiality and integrity of its data and files (both physical and electronic), as well as of any communications with third parties containing Fund and shareholder information, including reports regarding the Adviser's cybersecurity framework and its implementation, the identification and monitoring of cybersecurity risks (including the risks that arise out of arrangements with third party service providers), the Adviser's cybersecurity response policy and other initiatives of the Adviser to mitigate cybersecurity risks;
 - Information regarding the Adviser's policies and practices with respect to personal investing by the Adviser and its employees, including reports regarding the administration of the Adviser's code of ethics and the Adviser's policy with respect to investments in the Fund by the Adviser's investment personnel;
 - Descriptions of the processes that the Adviser uses to evaluate and monitor the liquidity of fixed-income instruments and information regarding the actions the Adviser has taken with respect to risk management and disclosure matters relating to changing fixed income market conditions;
 - Descriptions of sub-transfer agency, omnibus account and other shareholder servicing arrangements for the Fund with intermediaries (collectively, "Servicing Arrangements"), including a description of the services provided by the intermediaries pursuant to such Servicing Arrangements and the payment terms of the Servicing Arrangements, as well as reports regarding the amounts paid pursuant to the Servicing Arrangements and the amounts paid to intermediaries with respect to the Fund by the Adviser pursuant to any revenue sharing arrangements and Servicing Arrangements (to the extent not paid by the Fund);
 - 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

APPROVAL OF ADVISORY AGREEMENT

June 30, 2017 (unaudited) (continued)

- Other information provided by the Adviser in its response to a comprehensive questionnaire prepared by independent legal counsel on behalf of the Independent Trustees.

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

The Board considered the fact that the Adviser is managing other investment products, including exchange-traded funds, hedge funds, separate accounts and UCITSs, one or more of which may invest in the same financial markets and may be managed by the same investment professionals according to a similar investment objective 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 that the Fund seeks to track, before fees and expenses, the performance of the MVIS North America Long/Short Equity Index (the "L/S Index") and that the Fund had underperformed the L/S Index over the one-year period. The Board also noted that the difference between the performance of the Fund and the performance of the L/S Index during the one-year period is reasonable in light of the impact of cash flows and expenses on the performance of the Fund. The Board concluded that the performance of the Fund was satisfactory.

Fees and Expenses. The Board noted that the fee rate payable for advisory services and the total expense ratio, net of waivers or reimbursements, for the Fund were lower than the median advisory fee rates and total expense ratios of the Fund's Category and Peer Group. The Board also noted that the Adviser has agreed to waive fees or pay expenses of the Fund through April 2018 to the extent necessary to prevent the expense ratio of the Fund from exceeding a specified maximum amount (subject to certain exclusions).

On the basis of the foregoing, and in light of the nature, extent and quality of the services provided by the Adviser, the Board concluded that the advisory fee rate charged to the Fund is reasonable.

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

APPROVAL OF ADVISORY AGREEMENT

June 30, 2017 (unaudited) (continued)

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®

Investment Adviser: Van Eck Associates Corporation
Distributor: Van Eck Securities Corporation
666 Third Avenue, New York, NY 10017
vaneck.com
Account Assistance: 800.544.4653

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