

# VanEck Vectors™ ETFs N.V.

Annual Report 2020

# VanEck®

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# 1. General information

## Board of Directors and Manager

VanEck Asset Management B.V. is the company's director according to the articles of association ('the Board of Directors') and acts as manager of the Company as referred to in section 2:65 of the Dutch Financial Supervision Act (Wft) ('the Manager'). The Board of Directors of VanEck Vectors™ ETFs N.V. are also responsible for the audit committee tasks. The Manager has its registered office in Amsterdam and holds offices at Barbara Strozilaan 310, 1083 HN Amsterdam.

The composition of the Board of Directors is as follows:

- Mr M. Rozemuller;
- Mr G. Koning.

## Supervisory Board

The supervisory board of the Manager exercises supervision on the Manager's management and on the general course of affairs at the Manager. The supervisory board is made up of:

- Mr B.J. Smith;
- Mr A.E. Philips;
- Mr T. Hunke;
- Mr J.R. Simon.

### Address

Barbara Strozilaan 310  
1083 HN Amsterdam  
Kvk: 34359726

### Correspondence address

Barbara Strozilaan 310  
1083 HN Amsterdam

Telephone: (020) 719 5100

### Website

[www.vanecketfs.nl](http://www.vanecketfs.nl)

### Auditor

Ernst & Young Accountants LLP  
Antonio Vivaldistraat 150  
1083 HP Amsterdam

### Tax adviser

Loyens & Loeff N.V.  
Fred Roeskestraat 100  
1076 ED Amsterdam

### Index calculation and distribution

Markit  
2 More London River Side  
London, SE1 2AP  
Verenigd Koninkrijk

Solactive Germany AG  
Platz der Einheit 1  
60327 Frankfurt am Main

Global Property Research B.V.  
Beethovenstraat 300  
1077 WZ Amsterdam

Euronext Amsterdam N.V.  
Beursplein 5  
1000 GD Amsterdam

Morningstar Holland B.V.  
De Entrée 246  
1101 EE Amsterdam

### Legal adviser

Keijzer & Cie  
Apollolaan 171  
1077 AS Amsterdam

### Paying- and ENL agent

CACEIS Bank  
De Entree 500  
1101 EE Amsterdam

### Liquidity providers & Authorized Participants

Flow Traders B.V.  
Jacob Bontiusplaats 9  
1018 LL Amsterdam

Optiver VOF  
Strawinskylaan 3095  
1077 ZX Amsterdam

Susquehanna International Group  
401 City Avenue, Bela, CYNWYD, PA 19004  
United States

Societe Generale  
Neue Mainzer Straße 46 – 50  
D-60311 Frankfurt am Main  
Germany

Jane Street Financial Limited  
Floor 30, 20 Fenchurch Street  
London, EC3M 3BY  
Verenigd Koninkrijk

**UCITS depositary**  
CACEIS Bank  
De Entree 500  
1101 EE Amsterdam

**Custodian**  
CACEIS Bank  
De Entree 500  
1101 EE Amsterdam

**External compliance officer**  
Erwin Wellen Consultancy  
Korsou Konseho B.V.  
CoC Curaçao 143295



## 2. Profile

VanEck Vectors™ ETFs N.V. (hereafter: 'VanEck' or the 'Company') was incorporated on 2 October 2009. The Company is an open-ended investment company with variable capital under Dutch law in the sense of article 2:76a of the Dutch Civil Code. This means that the Company will in principle issue, reissue, or purchase shares on request on any trading day. The Manager was granted a licence as referred to in section 2:65 Wet of het financieel toezicht (Wft) on 12 October 2009.

### Structure

The Company has what is referred to as an umbrella structure. This entails that the ordinary shares are divided into several series of shares, each designated with a letter. Every series of shares is designated as a fund to which a portion of the Company's assets is allocated (hereafter: 'Sub-fund'). Separate records are kept for every Sub-fund so that all the income and costs attributable to a Sub-fund are reported per Sub-fund. If the Prospectus makes reference to the assets of a Sub-fund, this is defined as the Company's assets allocated to the relevant Sub-fund.

The amount to be paid up on every share in a Sub-fund and the assets attributable thereto is invested for the benefit of the relevant Sub-fund. Every Sub-fund has an individual investment policy, which means every Sub-fund has its own risk profile and pricing. Increases and decreases in the value of the portfolio of a particular Sub-fund are exclusively for the benefit of or at the expense of the holders of the shares in that Sub-fund. The specific characteristics are described in more detail in a Supplement to every Sub-fund.

Since its incorporation, the Company has had the following fourteen Sub-funds listed:

#### *In 2009*

- Sub-fund A: VanEck Vectors™ AEX UCITS ETF, NL0009272749
- Sub-fund B: VanEck Vectors™ AMX UCITS ETF, NL0009272756
- Sub-fund C: VanEck Vectors™ Multi-Asset Conservative Allocation UCITS ETF, NL0009272764
- Sub-fund D: VanEck Vectors™ Multi-Asset Balanced Allocation UCITS ETF, NL0009272772
- Sub-fund E: VanEck Vectors™ Multi-Asset Growth Allocation UCITS ETF, NL0009272780

#### *As of 14 April 2011*

- Sub-fund F: VanEck Vectors™ Global Equal Weight UCITS ETF, NL0009690221
- Sub-fund G: VanEck Vectors™ Global Real Estate UCITS ETF, NL0009690239
- Sub-fund H: VanEck Vectors™ iBoxx EUR Corporates UCITS ETF, NL0009690247
- Sub-fund I: VanEck Vectors™ iBoxx EUR Sovereign Diversified 1-10 UCITS ETF, NL0009690254

#### *As of 26 November 2012*

- Sub-fund J: VanEck Vectors™ iBoxx EUR Sovereign Capped AAA-AA 1-5 UCITS ETF, NL0010273801

#### *As of 13 May 2013*

- Sub-fund K: VanEck Vectors™ Sustainable World Equal Weight UCITS ETF, NL0010408704

#### *As of 1 October 2014*

- Sub-fund L: VanEck Vectors™ European Equal Weight UCITS ETF, NL0010731816

#### *As of 11 November 2015*

- Sub-fund M: VanEck Vectors™ Morningstar North America Equal Weight UCITS ETF, NL0011376074

#### *As of 23 May 2016*

- Sub-fund N: VanEck Vectors™ Morningstar Developed Markets Dividend Leaders UCITS ETF, NL0011683594

**Issue and purchase of ordinary shares**

The Company is an open-ended investment company. This means that the Board of Directors will, on request, issue shares and/or sell purchased shares at the transaction price of a share as determined at the moment of issue or sale. The transaction price corresponds to the Net Intrinsic Value of the relevant share in a specific Sub-fund. The Board of Directors reserves the right to temporarily suspend the issue or purchase of shares. Suspension can take place, for instance, in cases in which the determination of the Net Intrinsic Value can also be suspended, as further explained in section VII (determination of Net Intrinsic Value) of the Prospectus. Shares in the Company can be bought and sold on Euronext Amsterdam or other exchanges where the Sub-funds are listed, whereby the Liquidity Provider ensures that there is both a bid and ask price at which the share can be traded.

**UCITS**

The Company is an Undertaking for Collective Investment in Transferable Securities (UCITS). The Manager has had a licence as referred to in section 2:65 Wft since 4 March 2011. To obtain a licence, restrictions aimed at investor protection are imposed for the investment policy of a UCITS. The most important restrictions entail, summarised here, that the aim of a UCITS is exclusively to invest in financial instruments or other liquid financial assets with application of the principle of risk diversification. On grounds of the so-called UCITS directive, the shares of a UCITS can be relatively easily offered for sale in another member state of the European Union or a state which is not a member of the European Union but which is party to the Agreement on the European Economic Area.

**Investment policy**

Unlike traditional investment institutions which have an active investment policy and whereby the investment institution actively seeks out investments within its investment policy, the Company in principle has a passive investment policy whereby the assets to be allocated to a Sub-fund are invested for the benefit of the Sub-fund with the aim of following the Index or Indices which serve as the benchmark for the Sub-fund as closely as possible. This keeps management costs low and ensures that the composition of the assets of every Sub-fund is transparent.

The assets of a Sub-fund can be invested in underlying securities from various indices or combinations of indices in different asset classes, always taking into account the index or indices specified in the relevant supplement of the Prospectus and the ratios in which the Sub-fund invests in these indices. The Company will buy financial investment instruments via regulated markets anywhere in the world. The Company is not authorised to contract loans as a debtor and/or lend out Underlying Securities.

**Fiscal status**

The Company is a public company with registered office in Amsterdam, incorporated under Dutch law. The Company opts for the status of fiscal investment institution (FII) as referred to in section 28 of the Corporation Tax Act 1969. An FII is subject to a 0% rate for the levy of corporation tax if certain conditions are satisfied.

**Dividend tax**

The Company will in principle have to withhold 15% dividend tax on dividends it pays out. This dividend tax is not at the Company's expense, but at the expense of the Company's shareholders. When paying the withheld dividend tax to the tax and customs administration, the Sub-fund may deduct an amount in connection with the Dutch and foreign source taxation withheld on dividends and interest income received by it ('deduction').

### 3. Report from the Board of Directors

#### Report 2020

2020 marked the eleventh year of VanEck Vectors™ ETFs N.V. (the ETFs or Sub-funds) existence since the listing of the first ETFs on 14 December 2009.

The total fund assets under management decreased in 2020 from EUR 2,126 million on 31 December 2019 to EUR 1,060 million on 31 December 2020, a decrease of roughly 50%. This decrease was caused by the departure of one big institutional client and has been anticipated for quite some time. Being part of a global company with approximately 70 billion in assets, this has not endangered our continuity in any way, also it's good to note that the European part of VanEck actually grew, despite the outflow in the Dutch entity. The assets under management totalled EUR 1,200 million at the beginning of April 2020.

Furthermore, the ETFs have been registered for distribution in several countries and listed at certain stock exchanges. Apart from our full ETF range that is listed at Euronext Amsterdam (primary listing) and Euronext Brussels, nine (9) out of fourteen (14) ETFs are also listed at the Deutsche Börse, London Stock Exchange, Borsa Italiana and the Swiss Stock Exchange.

#### Financial information

The Sub-funds have the objective of following their benchmark, in other words the selected index, as closely as possible. The degree to which they succeed at this is shown by the Tracking Difference and Tracking Error, which is why the emphasis is on these. The financial development of the Sub-funds represents the price developments in the indices followed; the manager has no influence on these price developments. For the financial details of the various Sub-funds, see the financial statements of the different Sub-funds.

The Tracking Difference (T.D.) is the difference in yield between the product and a particular benchmark. The benchmark is often an index. It could be a well-known stock market index, or a customised index. It is important in this context whether the benchmark is a price index or a gross total return index.

In addition to the Tracking Difference, the Tracking Error is relevant as well. The following definition applies for the Tracking Error (T.E.). Tracking Error = Annual volatility of the monthly tracking differences,  $T.E. = \sqrt{\frac{\sum_{i=1}^n (p_i - b_i)^2}{n-1}}$  whereby p is the fund yield and b the index yield.

The key reasons behind the differences between the product yield and benchmark yield are, successively, the management fee, the cash drag, the dividend tax drag and pricing differences (for bond ETFs).

The term cash drag stands for the fact that the dividends and coupon payments received are held in the fund as cash and are not reinvested, therefore. The term dividend tax drag means that the claim for a refund of the withheld dividend tax only becomes visible after the fund pays dividend.

The Tracking Differences and Tracking Errors of the VanEck Vectors UCITS ETFs are set out below.

Series	Benchmark	Tracking Difference	Tracking Error
Series A – VanEck Vectors™ AEX UCITS ETF	AEX Total Return Index (gross)	(0.35%)	0.31%
Series B – VanEck Vectors™ AMX UCITS ETF	AMX Total Return Index (gross)	(0.63%)	0.31%
Series C – VanEck Vectors™ Multi-Asset Conservative Allocation UCITS ETF	Multi-Asset Conservative Allocation Index	0.31%	0.31%
Series D – VanEck Vectors™ Multi-Asset Balanced Allocation UCITS ETF	Multi-Asset Balanced Allocation Index	(0.59%)	0.26%
Series E – VanEck Vectors™ Multi-Asset Growth Allocation UCITS ETF	Multi-Asset Growth Allocation Index	(0.51%)	0.29%
Series F – VanEck Vectors™ Global Equal Weight UCITS ETF	Solactive Global Equity Index	(0.15%)	0.19%
Series G – VanEck Vectors™ Global Real Estate UCITS ETF	GPR Index Total Return (gross)	(0.07%)	0.30%
Series H – VanEck Vectors™ iBoxx EUR Corporates UCITS ETF	iBoxx Corp Index Total Return (gross)	(0.08%)	0.11%
Series I – VanEck Vectors™ iBoxx EUR Sovereign Diversified 1-10 UCITS ETF	iBoxx Sov. Index Total Return (gross)	(0.15%)	0.05%
Series J – VanEck Vectors™ iBoxx EUR Sovereign Capped AAA-AA 1-5 UCITS ETF	Markit iBoxx EUR Liquid Sovereign Capped AAA-AA 1-5 Index (gross)	(0.18%)	0.04%
Series K: VanEck Vectors™ Sustainable World Equal Weight UCITS ETF	Solactive Sustainable World Equity Index	(0.47%)	0.17%
Series L: VanEck Vectors™ European Equal Weight UCITS ETF	Solactive European Equity Index	(0.21%)	0.23%
Series M: VanEck Vectors™ Morningstar North America Equal Weight UCITS ETF	Morningstar North America 100 Equal Weight Index (gross)	(0.44%)	0.17%
Series N: VanEck Vectors™ Morningstar Developed Markets Dividend Leaders UCITS ETF	Morningstar Developed Markets Large Cap Dividend Leaders Index (gross)	(0.40%)	0.25%

Tracking Difference= yield VanEck Vectors UCITS ETF (including dividend) – yield gross total return benchmark (including dividend).

Tracking error= The standard deviation from the difference between the price development of the VanEck Vectors UCITS ETF and the relevant benchmark.

#### Distributions during the period

Dividend was paid out on all ETFs in March, June, September, and December. The Board of Directors intends to pay out dividend quarterly if dividend was received in the particular fund. This is related to the obligation to distribute profits. On grounds of the tax status as Fiscal Investment Institution, VanEck is required to pass on the direct profits to the shareholders.

#### Remuneration policy

The remuneration policy is in line with the manager's strategy and the objective and investment policy of VanEck. In 2020 the members of the Board of Directors and the other staff of the asset manager received a retention bonus and a variable remuneration next to the fixed remuneration. The retention bonus includes a share component and a deferred component. Variable remuneration is also deferred. The retention bonus and the variable remuneration are paid out as follows:

- 40% directly
- 20% after 1 year
- 20% after 2 years
- Remaining 20% after 3 years

The remuneration for the 2020 financial year is as follows:

(amounts x € 1)	Number	Fixed	Variable	2020
Board of Directors	2	686,190	693,162	1,379,352
Non-identified staff (FTE)	11	1,187,020	610,000	1,797,020
<b>Total</b>	<b>13</b>	<b>1,873,210</b>	<b>1,303,162</b>	<b>3,176,372</b>

The amounts above are gross amounts. Retention bonus is included under the variable amounts.

## Risk management

VanEck monitors its ETFs continuously to make sure they comply with all relevant rules and regulation. VanEck's objective is to have its ETFs follow the relevant index as closely as possible, both as the index goes up and as it goes down. The risk that markets can go down is not hedged. This brings the investment risks of the ETFs entirely in line with the investment risks of the particular reference indices. The ETFs are subject to operational risks, something VanEck recognizes and therefore the board is hands-on involved in risk management. The way in which VanEck mitigates the relevant operational risks as much as possible, is discussed in more detail below.

To understand the relevant risks, it's good to note that VanEck owns all the underlying securities for the benefit of the ETFs. No use is made of synthetic replication. The underlying securities are held in custody by CACEIS Bank. VanEck consciously opts not to lend out these underlying securities; this prevents counterparty risk from arising. Under the Securities (Bank Giro Transactions) Act (Wge), the assets of the funds are legally separate from CACEIS Bank. Any bankruptcy on the part of CACEIS Bank would not affect the assets of the VanEck.

From 01-02-2021 State Street will be the new depositary and custodian instead of CACEIS Bank.

Most processes and procedures are outsourced. VanEck closely monitors these processes and procedures via an ISAE3402 report. We can identify the following operational risks:

### Creation/redemption

This concerns the issuing of new shares and/or the taking back of shares issued earlier. The underlying instruments are delivered on the basis of DVP, delivery versus payment, with the counterparty being an Authorised Participant (AP) or a broker. In the creation process, the ETFs are delivered and the basket of shares, or bonds, reflecting the percentages in the index or indices is received. The opposite takes place for a redemption. To make sure the creation/redemption is executed correctly there is a four eye check at the operational level, additional check takes place in a compliance monitoring system before the transactions can be executed. Both VanEck and the AP check that the composition is correct - it is in the interest of both parties that the composition be correct, after all.

### Reweighting

Whenever an index is reweighted, VanEck takes the necessary action to reweight the ETFs as well. Either by reweighting the fund itself by means of an execution-only agreement with CACEIS Bank or another broker. To make sure the reweighting is executed correctly there is a four eye check at the operational level, additional check takes place in a compliance monitoring system before the transactions can be executed.

### Distribution by VanEck Vectors™ ETFs

Distribution takes place on cash basis and is only made from the freely distributable reserves. It is also monitored whether adequate cash and cash equivalents remain to cover the costs that will be charged to the fund in the next period. This prevents a situation from arising in which the fund must sell assets to pay the costs.

### Corporate actions

In the event of corporate actions in underlying securities, VanEck follows the index followed by the particular ETF.

### Settlement risk

All settlement risks have been offset with the use of DVP. One of the risks that cannot be offset is the market (delta) risk of non-settlement of the underlying securities in the event a counterparty defaults.

### Compliance risk

VanEck runs the risk of losses as the result of deficient or faulty internal processes, internal control, human error, system error or errors caused by external events. Operational risk encompasses business risk, legal, tax and compliance risk, the system of fraud, supervisory risk, administrative risk, system risk, personnel risk and risk of use of IT systems including improper access to data by third parties.

## Statement concerning business operations

We have a description of the business operations that satisfies the requirements of the Financial Supervision Act (Wft) and the Decree on Conduct of Business Supervision of Financial Undertakings under the Wft (BGfo).

We assessed various aspects of the business operations during the past financial year. In our activities we did not discover anything on grounds of which we must conclude that the description of the set-up of the business operations as referred to in section 121 of the BGfo does not satisfy the requirements contained in the Financial Supervision Act and related regulations.

On these grounds, we declare as manager for VanEck that we have a description as referred to in section 121 BGfo which satisfies the requirements of the BGfo.

We ascertained nothing that indicated that it was not functioning effectively and in accordance with the description. We therefore declare with a reasonable degree of assurance that the business operations functioned effectively and in accordance with the description throughout the year under review

## Risks of financial instruments

Based on the Sub-funds' activities, the Sub-funds are exposed to several financial risks: market risk (consisting of market risk, currency risk and interest rate risk), credit risk and liquidity risk. Quantitative risk disclosures are included in the financial statements of the Sub-funds.

### Price risk

VanEck's objective is to have its ETFs follow an index as closely as possible, both as it goes up and as it goes down. Consequently, every Sub-fund's risk profile is identical to the risk profile of the selected index. No hedging of risks takes place in principle, therefore. As a result, the ETFs are exposed to significant price risk if markets go down.

### Currency risk

The Sub-funds VanEck Vectors™ AEX UCITS ETF, VanEck Vectors™ AMX UCITS ETF, VanEck Vectors™ iBoxx EUR Corporates UCITS ETF, VanEck Vectors™ iBoxx EUR Sovereign Diversified 1-10 UCITS ETF and VanEck Vectors™ iBoxx EUR Sovereign Capped AAA-AA 1-5 UCITS ETF are only invested in euro and the Sub-funds VanEck Vectors™ Multi-Asset Conservative Allocation UCITS ETF, VanEck Vectors™ Multi-Asset Balanced Allocation UCITS ETF, VanEck Vectors™ Multi-Asset Growth Allocation UCITS ETF, VanEck Vectors™ Global Equal Weight UCITS ETF, VanEck Vectors™ Global Real Estate UCITS ETF, VanEck Vectors™ Sustainable World Equal Weight UCITS ETF, VanEck Vectors™ European Equal Weight UCITS ETF, VanEck Vectors™ Morningstar North America Equal Weight UCITS ETF and VanEck Vectors™ Morningstar Developed Markets Dividend Leaders UCITS ETF, are invested in multiple currencies, which are indeed exposed to currency risk; the currency risk is not hedged.

### Interest rate risk

VanEck's objective is to have its ETFs follow an index as closely as possible, both as it goes up and as it goes down. Consequently, every Sub-fund's risk profile is identical to the risk profile of the selected index. No hedging of risks takes place in principle, therefore. The Sub-funds with monetary financial instruments with a fixed interest rate in the portfolio are consequently exposed to significant interest rate risk if interest rates go up.

### Credit risk

VanEck's objective is to have its ETFs follow an index as closely as possible, both as it goes up and as it goes down. Consequently, every Sub-fund's risk profile is identical to the risk profile of the selected index. No hedging of risks takes place in principle, therefore. The Sub-funds with monetary financial instruments in the portfolio are consequently exposed to significant credit risk if the solvency of the underlying companies the ETF has invested in deteriorates.

### Bankruptcy risk

VanEck's objective is to have its ETFs follow an index as closely as possible, both as it goes up and as it goes down. Consequently, every Sub-fund's risk profile is identical to the risk profile of the selected index. No hedging of risks takes place in principle, therefore. The Sub-funds with monetary financial instruments in the portfolio are consequently exposed to significant bankruptcy risk if one of the companies the ETF has invested in goes bankrupt.

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**Liquidity risk**

Shares in the Sub-funds can be bought and sold on one or more regulated stock-exchanges, whereby a number of Liquidity Providers ensure that there is both a bid and ask price at which the share can be traded. Consequently, the Sub-funds are exposed to very little, if any, liquidity risk.

**Fund Governance**

VanEck has taken note of the Principles of Fund Governance of DUFAS (Dutch Fund and Asset Management Association) and endorses the importance of Fund Governance. In this context, VanEck uses independent external parties for the administration, calculation of the intrinsic value, and the custody of securities; it uses multiple Liquidity Providers in support of the stock market listing of its ETFs.

The members of the Board of Directors hold positions in VanEck's ETFs. See chapter 6 for a detailed overview of these interests as of year-end 2020. The transactions by the members of the Board of Directors in VanEck's ETFs are reported to the Compliance Officer in accordance with the rules for Private Investing Transactions.

## Voting policy

The Company has entered into a service agreement with Glass Lewis Europe Limited and can use their voting advice for exercising the voting rights on shares held by the relevant Sub-funds. For some Sub-funds voting rights are exercised based on this service agreement if this is cost efficient. This is determined based on, among other things, the AUM.

For the Sub-funds that do not use the voting advice of Glass Lewis Europe Limited, the Company will not exercise voting rights on shares in other undertakings unless there are exceptional circumstances in which the Company's shareholders would be significantly disadvantaged. In that case, the Company's voting will be guided primarily by the interests of the Company's shareholders.

## Efficient Portfolio Management

Efficient Portfolio Management is defined as the use of techniques and instruments in relation to securities and money market management, including securities borrowing and lending, the contracting of repurchase agreements (repos) and reverse repurchase agreements. The Sub-funds did not make any use of Efficient Portfolio Management during the year under review.

## Outlook

The COVID-19 epidemic is believed to have originated in Wuhan, Hubei, China. While containment efforts were made to slow the spread of the epidemic the outbreak has now spread globally and has led to the World Health Organization declaring the COVID-19 outbreak a pandemic on 11 March 2020. Containment efforts are impacting global supply chains, general public confidence and all major stock markets have fallen significantly since year end. There has also been a large decline in energy prices, including oil, the decline in price of which has been further exacerbated by tensions among leading oil producing nations. The Board of Directors is aware that global financial markets have been monitoring and reacting to the outbreak. All markets have incurred increased volatility and uncertainty since the onset of the pandemic. The Board of Directors has also noted the operational risks that are posed to the Company and its service providers due to global and local movement restrictions that have been enacted by various governments. COVID-19 pandemic is an unprecedented event and the eventual impact on the global economy and markets will largely depend on the scale and duration of the outbreak.

The developments related to COVID-19 have not led to a material uncertainty about the continuity of our business. We can continue our activities with regard to the management of the investments for clients. It's always been difficult to provide a good outlook on the growth of our business because of the unpredictable nature of the markets and the way that can impact our business. In view of the developments regarding the pandemic the expectations will be even more difficult to predict, and therefore we won't make a prediction for 2020. We have seen both creations and redemptions of reasonable size which could be traded in the market like before the pandemic. The asset under management of the funds and the N.V. has decreased in 2020 to 1.060 million Euro but the decrease was caused by the departure of a big client and wasn't the result of COVID-19 or the related volatility which we have seen.

The fund has no employees but VanEck Asset Management has people working from home, which works well considering the circumstances. The Board of Directors will continue to monitor this situation. It has always been difficult to provide a good outlook on the growth of our business because of the unpredictable nature of the markets and the way that can impact our business. In view of the developments regarding COVID-19 the expectations will be even more difficult to predict, and therefore we won't make a prediction for 2021. But we would like to state that our scope has always been beyond the next 12 months. As part of VanEck's global business we take a long term view on our business and despite the current uncertainty, we remain confident that our strategy for the coming 5 years will prove sound and our US headquarters shares our view in that regard. For the next 12 months we hope that our family, colleagues and clients will stay safe.



26 April 2021,



The Board of Directors,

M. Rozemuller      G. Koning

## 4. Financial Statements

### 4.1 Statement of financial position as of 31 December

(amounts x € 1)		2020	2019 (Restated)
<b>ASSETS</b>			
Cash and cash equivalents	{1}	3,484,444	7,038,041
<u>Investments</u>			
Shares		670,515,233	1,598,374,738
Bonds		274,584,389	246,682,374
Property shares		111,891,187	273,958,109
<b>Investments</b>	{2}	<b>1,056,990,809</b>	<b>2,119,015,221</b>
Receivables	{3}	3,429,888	11,145,304
<b>Total assets</b>		<b>1,063,905,141</b>	<b>2,137,198,566</b>
<b>LIABILITIES</b>			
Other payables	{7}	3,568,069	10,596,134
<b>Net assets attributable to shareholders</b>		<b>1,060,337,072</b>	<b>2,126,602,432</b>
<b>Total liabilities</b>		<b>1,063,905,141</b>	<b>2,137,198,566</b>

The numbers next to the items refer to the notes to the statement of financial position and the statement of profit and loss and other comprehensive income. The notes form an integral part of the financial statements.

## 4.2 Statement of profit and loss and other comprehensive income

(amounts x € 1)	2020	2019 (Restated)
<b>Investment result</b>		
Changes in the value of investments	(166,142,138)	344,627,758
Interest income	6,015,666	4,886,500
Interest expense	(84,509)	(62,995)
Dividend income	32,769,523	55,476,290
Foreign exchange differences	(350,877)	(42,613)
<b>Total investment result</b>	<b>(127,792,335)</b>	<b>404,884,940</b>
Management costs {8}	(3,432,012)	(4,047,953)
Transaction costs	(23,691)	(30,739)
<b>Total expenses</b>	<b>(3,455,703)</b>	<b>(4,078,692)</b>
<b>Distribution</b>	<b>(39,212,152)</b>	<b>(54,412,835)</b>
<b>Increase/decrease in the net assets attributable to shareholders</b>	<b>(170,460,190)</b>	<b>346,393,413</b>

The numbers next to the items refer to the notes to the statement of financial position and the statement of profit and loss and other comprehensive income. The notes form an integral part of the financial statements.

## 4.3 Statement of Cash flow

(amounts x € 1)	2020	2019
Purchases of investments	(1,191,605,666)	(753,733,811)
Sales of investments	2,082,916,882	778,893,035
Interest received	6,844,920	5,205,297
Interest paid	(296,502)	779,504
Dividends received	34,662,322	53,915,166
Management costs paid	(3,600,907)	(3,989,385)
Other payments	(4,567,301)	(41,186)
<b>Cash flow from operating activities</b>	<b>924,353,748</b>	<b>81,028,620</b>
Issue of shares	723,866,342	418,519,316
Purchase of shares	(1,612,870,757)	(438,714,884)
Distribution	(38,552,049)	(54,828,281)
<b>Net cash flow from financing activities</b>	<b>(927,556,464)</b>	<b>(75,023,849)</b>
Foreign exchange differences	(350,881)	(42,613)
<b>Net cash flow</b>	<b>(3,553,597)</b>	<b>5,962,158</b>
Cash and cash equivalents at beginning of the period	7,038,041	1,075,883
<b>Cash and cash equivalents at end of the period</b>	<b>3,484,444</b>	<b>7,038,041</b>

#### 4.4 Statement of changes in net assets attributable to shareholders

(amounts x € 1)	2020	2019
<b>Net assets attributable to redeemable participating shareholders at the beginning of the financial year</b>	<b>2,126,602,432</b>	<b>1,801,634,975</b>
Proceeds from the issuance of redeemable participating shares	719,293,630	421,870,888
Payments for the redemption of redeemable participating shares	(1,615,098,800)	(443,296,844)
Increase/decrease in the net assets attributable to shareholders	(170,460,190)	346,393,413
<b>Net assets attributable to redeemable participating shareholders at the end of the financial year</b>	<b>1,060,337,072</b>	<b>2,126,602,432</b>
<b>Number of redeemable participating shares</b>		
Redeemable participating shares at the beginning of the financial year	48,712,776	56,993,776
Issuance of redeemable participating shares	31,117,000	9,743,000
Repurchase of redeemable participating shares	(50,900,000)	(18,024,000)
<b>Redeemable participating shares at the end of the financial year</b>	<b>28,929,776</b>	<b>48,712,776</b>

## 4.5 Notes

### Accounting policies

#### General

VanEck was incorporated on 2 October 2009 (KVK: 34359726). The Company is an open-ended investment company with variable capital under Dutch law in the sense of article 2:76a of the Dutch Civil Code. This means that the Company will in principle issue, reissue, or purchase shares on request on any trading day. The Manager was granted a licence as referred to in section 2:65 Wft on 12 October 2009. The most recent prospectus from VanEck dates from 1 November 2019.

#### Correction of error

Based on IAS 32.16A, the puttable shares should have been classified as a liability instead of equity since these do not entitle the holder the pro-rata share in the event of the fund's liquidation and these do not meet the identical feature criterion.

The error impacts the classification of the puttable shares in the statement of financial position, as well as the profit in the statement of profit and loss and other comprehensive income. The error does not impact the NAV per share. The error in the financial statements of 2019 can be quantified as follows:

Carrying amount (amounts x € 1)	Original 2019	Restated 2019
<b>Statement of financial position as of 31 December</b>		
Equity	2,126,602,432	-
Net assets attributable to shareholders	-	2,126,602,432
<b>Total</b>	<b>2,126,602,432</b>	<b>2,126,602,432</b>
<b>Statement of profit and loss and other comprehensive income</b>		
Distribution	-	(54,412,835)
Total Result	346,393,413	-
Increase in the net assets attributable to shareholders	-	400,806,248
<b>Total</b>	<b>346,393,413</b>	<b>346,393,413</b>

As we consider the error material we applied IAS 8 ('Accounting Policies, Changes in Accounting Estimates and Errors') we have adjusted the comparative financial figures. The error impacts the classification of the puttable shares in the statement of financial position, as well as the profit in the statement of profit and loss and other comprehensive income. The error does not impact the NAV per share. Periods prior to 2019, the same reclassification would apply and it has no impact on the net asset value for these years.

#### Compliance statement

The Company's financial statements have been prepared in accordance with IFRS (International Financial Reporting Standards), issued by the International Accounting Standards Board ('IASB') and accepted by the European Union and the requirements arising from the Financial Supervision Act and Book 2, Title 9 of the Dutch Civil Code, respectively. The Company's Financial statements have been prepared based on the Going Concern Assumption.

**New standards, amendments and interpretations to existing standards which are relevant to the Fund and have been implemented during the reporting period**

Amendments to IAS 1 and IAS 8 Definition of material - The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency. The amendments are applied prospectively for annual periods beginning on or after 1 January 2020, with earlier application permitted.

The adoption of the amendments listed above do not have a material impact on the financial statements of the Fund.

**New standards, amendments and interpretations to existing standards which are relevant to the Fund and not yet effective**

There are no new standards, amendments to standards or interpretations which are relevant to the Fund and not yet effective.

**Use of assumptions and estimates**

In preparing the financial statements, the Company must make assumptions and estimates that affect the items reported on the Statement of financial position and profit and loss account and the conditional receivables and liabilities as of the date of the annual report. The estimates and assumptions concerning current facts, events and, to a certain extent, future events and transactions have been made to the best knowledge of the management. The actual outcomes could ultimately deviate - possibly significantly - from these estimates.

**Economic position**

The accounting policies are aimed at setting out the Company's economic position. What is decisive for inclusion on the statement of financial position is whether the Fund runs a (positive or negative) risk on its own assets or the assets made available. If a transaction results in all future economic benefits and all risks relating to an asset or liability being transferred to a third party, the asset or the liability is no longer reported in the statement of financial position.

**Measurement**

At the moment of acquisition, assets and liabilities are valued at acquisition price, i.e. the fair value of the asset or liability. The investments are subsequently measured at fair value. The fair value is based on market value unless stated otherwise. The valuation at market value is based on the value for which the particular investments are listed on a stock market.

The other items are valued based on amortised cost, unless stated otherwise.

**Netting**

A financial asset and financial liability are netted and included on the statement of financial position as a net amount if there is a statutory or contractual authority to settle the asset and liability netted and simultaneously, at any point and unconditionally, and furthermore there is an intention to settle the items in this manner.

**Functional and presentation currency**

The presentation currency is the same as the functional currency, i.e. the euro. The shares of the Company and Sub-funds are listed in euros.

**Foreign currency**

Assets and liabilities denominated in foreign currencies are converted to euros at the spot exchange rate on the transaction date. This valuation is part of the valuation at current cost. Spot exchange rate differences of bank accounts are recognised under the indirect investment income in the profit and loss account.

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**Accounting policies for the statement of financial position****Investments**

The financial investments are measured at fair value, unless stated otherwise. For the shares, bonds, structured products, and other fixed income securities included under financial investments, the fair value is determined based on the current market prices or other market listings. The fair value of the bonds are based on the clean value (without accrued interest). The accrued interest is included in the receivables.

The investments are designated as 'At fair value with changes in value through profit and loss'. All investments are held for trading purposes.

Upon first recognition, investments are valued at acquisition price, i.e. fair value, whereby the transaction costs are charged directly to the profit and loss account.

The fair value of investments is based on listed prices or derived from cash flow models. For the investments in investment institutions included under financial investments, the fair value is determined based on the current market prices. If these are not available, the fair value is determined based on the most recent net intrinsic value available. Unrealised and realised changes in value are recognised directly in the profit and loss account under investment result.

The fair values of financial instruments are determined on three levels. The financial instruments are all measured at level 1:

- Level 1: The fair values are based on listed prices on active markets. A financial instrument is considered listed on an active market if the listed price is available regularly and if these prices reflect the current and regularly occurring arm's-length market transactions;

**Cash and cash equivalents**

These are demand deposits in current account at banks.

**Receivables**

The receivables are withholding tax receivables, current interest, receivables from entries not yet settled and other receivables. Receivables are valued at amortised cost. VanEck recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that VanEck expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, VanEck applies a simplified approach in calculating ECLs. Therefore VanEck does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. VanEck has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

**Net assets attributable to shareholders**

Shares in the Company, the Sub-funds, can be bought and sold on Euronext Amsterdam or other exchanges where the Sub-funds are listed, whereby the Liquidity Provider ensures that there is both a bid and ask price at which the share can be traded. This is a market party that publishes prices throughout the trading day at which it is willing to buy or sell the shares in the Sub-funds. Other investors and market parties can also create additional liquidity. The role of the Liquidity Provider is to ensure there is enough liquidity on the market for both buyers and sellers of the shares in the Sub-funds. In connection with this, the Liquidity Provider has concluded an agreement with Euronext N.V. which includes the obligation for the Liquidity Provider to provide a two-way market consisting of bid and ask prices, to guarantee minimum turnover in the trade in a particular Sub-fund (expressed as a certain number of shares or amount in cash), and furthermore to set the market within a maximum bandwidth or spread (usually expressed as a percentage). The issued 'puttable instruments' are presented as liability in accordance with IAS 32.

**Other payables**

The other payables are management fees still payable. Other payables are initially recognised on fair value and subsequently measured at amortised cost.

**Accounting policies for the statement of profit and loss and other comprehensive income****Dividend income**

Dividends are recognized on the ex-dividend date. In some jurisdictions the reclaim process is not working very well and we are not allowed to use this tax for netting purposes for our own distribution. Therefore, we have to deduct this tax from the dividend income. If possible VanEck will try to get the dividends with “relief at source”. This means that the lowest withholding tax is applied using the tax treaty. VanEck will monitor this process to make sure the dividend is received at the lowest rate possible.

**Interest income and expense**

The accrual of the bonds is taken into account in the valuation of the funds on a daily basis. VanEck is applying the nominal interest rate instead of effective interest method.

**Changes in the value of investments**

This is the indirect investment income from realised and unrealised changes in fair value and exchange rate differences. This income is recognised in the period to which it pertains.

**Costs**

Costs are recognised in the period in which they incur. The management costs for the investors in Sub-funds can vary per Sub-fund and are expressed as a percentage of the Net Intrinsic Value of every individual Sub-fund. For the height of the management costs of the particular Sub-fund, see the relevant Supplement. The management costs include all costs relating to the management of a Sub-fund, such as the management fee, costs of the custodial bank and the payment office, the listing costs, auditor's fee, costs of the purchase and issue of shares, the costs of having the Sub-funds correspond to the relevant index and the administration costs; these are not charged separately by the Sub-fund, therefore. The management costs are deducted daily from the definitive Net Intrinsic Value of a share in a Sub-fund.

**Accounting policies for the statement of cash flows****Statement of cash flows**

The statement of cash flows is prepared in accordance with the direct method whereby the operating receipts and expenditure is presented as such. Receipts and expenditure in relation to subscriptions and redemptions by participants are recognised as cash flow from financing activities. Purchases and sales have been presented as operating cash flow as this is the core business of the Fund. The cash and cash equivalents in the statement of cash flows include the demand deposits and bank overdrafts.



## Notes to the statement of financial position and statement of profit and loss and other comprehensive income

## 1. Cash and cash equivalents

As of 31 December 2020, there are no restrictions on the use of the cash and cash equivalents. The cash is held at CACEIS. The credit rating of CACEIS is A+ according to S&P as of 31 December 2020.

The Foreign exchange rates as of 31 December 2020 are as follows:

Foreign currency	31 December 2020	Average of 2020	31 December 2019	Average of 2019
AUD	1.5856	1.6534	1.5969	1.6102
CAD	1.5588	1.5290	1.4556	1.4850
CHF	1.0816	1.0702	1.0870	1.1121
DKK	7.4435	7.4542	7.4725	7.4661
GBP	0.8951	0.8889	0.8474	0.8769
HKD	9.4873	8.8418	8.7463	8.7695
JPY	126.3255	121.7419	121.9877	121.9755
KRW	1,329.1424	1,344.7234	1,298.1152	1,304.7109
NOK	10.4760	10.7101	9.8638	9.8474
SEK	10.0485	10.4809	10.5078	10.5852
SGD	1.6171	1.5728	1.5094	1.5269
USD	1.2236	1.1400	1.1225	1.1192
ZAR	17.9725	18.6709	15.6965	16.1600

The table below shows the concentrations of currencies held in cash.

(amounts x € 1)	31 December 2020	31 December 2019
USD	2,351,534	420,831
EUR	910,914	6,233,397
AUD	41,219	13,049
GBP	34,648	162,387
CHF	29,219	23,837
SGD	22,720	16,266
CAD	21,257	54,308
JPY	21,089	19,311
DKK	18,400	16,097
HKD	17,763	20,283
NOK	9,722	14,506
SEK	3,709	34,433
ZAR	2,250	9,336
<b>Total</b>	<b>3,484,444</b>	<b>7,038,041</b>

## 2. Investments

### Sub-funds of the N.V.

(amounts x € 1)	31 December 2020	31 December 2019
Serie A – VanEck Vectors™ AEX UCITS ETF	186,617,777	168,921,170
Serie B – VanEck Vectors™ AMX UCITS ETF	26,478,927	23,542,735
Serie C – VanEck Vectors™ Multi-Asset Conservative Allocation UCITS ETF	14,784,712	13,132,300
Serie D – VanEck Vectors™ Multi-Asset Balanced Allocation UCITS ETF	23,691,200	23,156,971
Serie E – VanEck Vectors™ Multi-Asset Growth Allocation UCITS ETF	15,417,955	14,264,558
Serie F – VanEck Vectors™ Global Equal Weight UCITS ETF	251,675,872	998,185,659
Serie G – VanEck Vectors™ Global Real Estate UCITS ETF	96,152,934	242,772,351
Serie H – VanEck Vectors™ iBoxx EUR Corporates UCITS ETF	47,589,046	36,758,630
Serie I – VanEck Vectors™ iBoxx EUR Sovereign Diversified 1-10 UCITS ETF	36,581,628	32,766,308
Serie J – VanEck Vectors™ iBoxx EUR Sovereign Capped AAA-AA 1-5 UCITS ETF	164,570,076	153,341,914
Serie K – VanEck Vectors™ Sustainable World Equal Weight UCITS ETF	109,367,897	329,073,817
Serie L – VanEck Vectors™ European Equal Weight UCITS ETF	40,623,256	43,018,688
Serie M – VanEck Vectors™ Morningstar North America Equal Weight UCITS ETF	8,099,410	6,266,585
Serie N – VanEck Vectors™ Morningstar Developed Markets Dividend Leaders UCITS ETF	35,340,119	33,813,535
<b>Total</b>	<b>1,056,990,809</b>	<b>2,119,015,221</b>

All investments are classified as financial instruments measured at fair value with changes in value through profit and loss. All investments of the Sub-funds are 'financial instruments admitted to listing on a regulated market' and are therefore classified as Level 1 investments.

### Summary of changes in investments

(amounts x € 1)	31 December 2020	31 December 2019
Opening balance	2,119,015,221	1,798,709,054
Purchases of investments	1,187,034,014	754,571,444
Sales of investments	(2,082,916,288)	(778,893,035)
Changes in value	(166,142,138)	344,627,758
<b>Closing balance</b>	<b>1,056,990,809</b>	<b>2,119,015,221</b>

## 3. Receivables

(amounts x € 1)	31 December 2020	31 December 2019
Interest receivable	-	1
Dividend receivable	849,509	4,550,547
Dividend withholding tax receivable	1,174,666	-
Securities transactions still to be settled	1,915	-
Accrued interest on bonds	1,403,798	2,019,535
Other receivables	-	4,575,221
<b>Total</b>	<b>3,429,888</b>	<b>11,145,304</b>

The other receivables relate to subscriptions.

#### 4. Net assets attributable to shareholders

The company's authorised capital amounts to three million euros (EUR 3,000,000) divided into ten (10) priority shares and two hundred ninety-nine million nine hundred ninety-nine thousand nine hundred ninety (299,999,990) ordinary shares, divided into twenty-six (26) series of ordinary shares designated with the letters A to Z, each with nominal value of one cent (EUR 0.01). The issued capital and share premium are fully paid up. EUR 45,000 was issued and paid up on the Z shares (the company's foundation capital) and repaid in 2018. The Fund is not subject to other externally imposed capital requirements. The issued and paid-up capital per Sub-fund is disclosed in the summaries of the individual Sub-funds A, B, C, D E, F, G, H, I, J, K, L, M and N.

##### *Capitalisation*

The authorised capital of the Company amounts to € 3,000,000 divided into 299,999,990 ordinary shares and 10 priority shares, all with nominal value of € 0.01. The ordinary shares are divided into 26 series of shares. A series of shares is designated as a Sub-fund. The Board of Directors reserves the right to, if desired, open a new share series (not yet issued) in supplement to a Sub-fund already opened.

##### *Issue and purchase of ordinary shares*

The Company is an open-ended investment company. This means that the Board of Directors will, on request, issue shares and/or sell purchased shares at the transaction price of a share as determined at the moment of issue or sale. The transaction price corresponds to the Net Intrinsic Value of the particular share in a specific Sub-fund increased or decreased by transaction costs. The Board of Directors reserves the right to temporarily suspend the issue or purchase of shares. Suspension can take place, for instance, in cases in which the determination of the Net Intrinsic Value can also be suspended. Shares in the Company can be bought and sold on Euronext Amsterdam or other exchanges where the Sub-funds are listed, whereby the Liquidity Provider ensures that under normal circumstances, there is both a bid and ask price at which the share can be traded for the majority of the trading day.

During the year there were some major redemptions because an institutional client sold their shares. This was not a reason to suspend the purchase of shares. Because of these redemptions the amount of outstanding shares was below 10% of the authorized capital at year end and therefore the company was in breach of article 2:98 BW. At the moment this is solved because of the issue of shares but the company is looking for a long term solution to avoid this will happen again.

During the financial closing of the 2020 annual report, an error was identified in the classification of the puttable shares as equity. Based on IAS 32.16A, the puttable shares should have been classified as a liability since the expected cash flows attributable over the life of the instrument and pro-rata claim in the event of the entity's liquidation is different per sub-fund. The error in the financial statements of 2019 resulted in the reclassification of the puttable instruments from equity to liability. We refer to 4.5 Notes correction of error.

As we consider the error material we applied IAS 8 ('Accounting Policies, Changes in Accounting Estimates and Errors') and adjusted the equity amounts to liability in the comparative financial statements. The error does impact the classification of the results on puttable shares. The error doesn't impact the result or the NAV per share.

##### *Priority shares*

The Company has issued 1 priority share to the Manager. The Priority has, among other things, rights in relation to the appointment, suspension, dismissal and determination of the remuneration and other employment conditions of directors of the Company. The Priority determines the number of members of the Board of Directors. For the appointment of a new director, within one month after having been invited to do so by the Board of Directors, it nominates at least 2 candidates from which the meeting of shareholders can appoint one. This nomination is binding for the meeting of shareholders unless this meeting deprives the nomination of its binding character in a resolution adopted by a majority of at least two-thirds of the votes cast, which represent more than half of the issued capital. A resolution to amend the Articles of Association, to merge, split or dissolve the Company can, other than at the proposal of the Priority, only be taken by the general meeting with a majority of at least two-thirds of the votes cast representing more than half of the issued capital.

**Dividend policy**

Pursuant to its status as fiscal investment institution, the Company will, within eight months of the conclusion of the financial year, pay out to the shareholders as dividend the taxable profit available for distribution, less the distribution deficits from previous years to be set off. The dividend is determined individually per Sub-fund.

The height of the dividend varies per Sub-fund and is based on a combination of the dividend and the coupons paid out on the shares or bonds, respectively, which form the Underlying Securities of the particular Sub-fund. The dividend is paid out in cash. The Company in principle intends to pay out (interim) dividend four times per calendar year.

**5. Summary of changes in the net asset value**

(amounts x € 1)	2020	2019
<b>Opening balance</b>	<b>2,126,602,432</b>	<b>1,801,634,975</b>
Issue of shares	719,293,630	421,870,888
Purchase of shares	(1,615,098,800)	(443,296,844)
Distribution	(39,212,152)	(54,412,835)
Interest income	6,015,666	4,886,500
Interest expense	(84,509)	(62,995)
Dividend income	32,769,523	55,476,290
Changes in the value of investments	(166,142,138)	344,627,758
Management fee	(3,432,012)	(4,047,953)
Exchange rate differences	(350,877)	(42,613)
Other expenses	(23,691)	(30,739)
<b>Closing balance</b>	<b>1,060,337,072</b>	<b>2,126,602,432</b>

**6. Risks with regard to the financial instruments****Market risk**

In terms of market risk, a distinction can be made between:

- Currency risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in exchange rates;
- Other price risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in market prices caused by factors that apply exclusively for the individual instrument or emitting party, or by factors that affect all instruments traded on the market;
- Interest rate risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in the market interest rate.

The notion of market risk encompasses not only the likelihood of losses, but also the likelihood of gains.

**Currency risk**

The Sub-funds VanEck Vectors™ AEX UCITS ETF, VanEck Vectors™ AMX UCITS ETF, VanEck Vectors™ iBoxx EUR Corporates UCITS ETF, VanEck Vectors™ iBoxx EUR Sovereign Diversified 1-10 UCITS ETF and VanEck Vectors™ iBoxx EUR Sovereign Capped AAA-AA 1-5 UCITS ETF are only invested in euro and the Sub-funds VanEck Vectors™ Multi-Asset Conservative Allocation UCITS ETF, VanEck Vectors™ Multi-Asset Balanced Allocation UCITS ETF, VanEck Vectors™ Multi-Asset Growth Allocation UCITS ETF, VanEck Vectors™ Global Equal Weight UCITS ETF, VanEck Vectors™ Global Real Estate UCITS ETF, VanEck Vectors™ Sustainable World Equal Weight UCITS ETF, VanEck Vectors™ European Equal Weight UCITS ETF, VanEck Vectors™ Morningstar North America Equal Weight UCITS ETF and VanEck Vectors™ Morningstar Developed Markets Dividend Leaders UCITS ETF, are invested in multiple currencies, which are indeed exposed to currency risk; the currency risk is not hedged.

(amounts x € 1)		2020		2019	
Currency	Amount	% of the NAV	Amount	% of the NAV	
Euro	611,534,225	57.6	785,867,513	37.1	
US dollar	226,792,658	21.4	673,975,103	31.7	
Japanese Yen	78,795,468	7.4	259,317,399	12.2	
Pound sterling	44,626,273	4.2	130,426,872	6.1	
Swiss Franc	26,149,136	2.5	63,103,592	3.0	
Australian dollar	20,212,540	1.9	69,552,148	3.3	
Canadian dollar	13,611,925	1.3	29,551,348	1.4	
Hong Kong dollar	11,368,756	1.1	30,689,735	1.4	
Swedish Krona	9,726,006	0.9	30,379,763	1.4	
Singapore Dollar	7,478,960	0.7	22,199,800	1.0	
Korean Won	4,811,722	0.5	15,553,281	0.7	
Danish Krone	3,760,590	0.4	8,709,607	0.4	
Norwegian Krone	1,045,564	0.1	5,193,285	0.2	
South-African Rand	423,249	0.0	2,082,986	0.1	
Total	1,060,337,072	100.0	2,126,602,432	100.0	

A 5% increase in the relevant currency, starting on the statement of financial position date and applicable for every currency, would result in a profit increase for the reporting period as shown in the table below.

(amounts x € 1)		2020		2019	
Currency	Amount	% of the NAV	Amount	% of the NAV	
Euro	30,576,711	2.9	39,293,376	1.8	
US dollar	11,339,633	1.1	33,698,755	1.6	
Japanese Yen	3,939,773	0.4	12,965,870	0.6	
Pound sterling	2,231,314	0.2	6,521,344	0.3	
Swiss Franc	1,307,457	0.1	3,155,180	0.1	
Australian dollar	1,010,627	0.1	3,477,607	0.2	
Canadian dollar	680,596	0.1	1,477,567	0.1	
Hong Kong dollar	568,438	0.1	1,534,487	0.1	
Swedish Krona	486,300	0.0	1,518,988	0.1	
Singapore Dollar	373,948	0.0	1,109,990	0.1	
Korean Won	240,586	0.0	777,664	0.0	
Danish Krone	188,030	0.0	435,480	0.0	
Norwegian Krone	52,278	0.0	259,664	0.0	
South-African Rand	21,162	0.0	104,149	0.0	

A 5% decrease in a currency would have an impact of the same magnitude in the opposite direction.

**Market risk**

The risk as a result of changes in market prices is limited by diversifying the investments in the portfolio as much as possible by region and sector.

**Portfolio distribution by sector**

(amounts x € 1)		2020		2019	
Sector	Amount	% of the NAV	Amount	% of the NAV	
Financial	250,291,662	23.6	646,663,316	30.3	
Government	215,274,838	20.3	198,471,311	9.3	
Non-cyclical consumer goods	206,359,903	19.5	390,568,117	18.4	
Technology	85,353,508	8.1	167,353,264	7.9	
Communications	71,357,492	6.7	159,152,723	7.5	
Industrial	69,067,855	6.5	188,936,574	8.9	
Cyclical consumer goods	65,857,826	6.2	174,845,138	8.2	
Basic Materials	39,647,300	3.7	66,703,942	3.1	
Energy	36,662,896	3.5	83,178,897	3.9	
Utilities	16,108,588	1.5	33,009,799	1.6	
Diversified	1,008,941	0.1	10,132,140	0.5	
<b>Total</b>	<b>1,056,990,809</b>	<b>99.7</b>	<b>2,119,015,221</b>	<b>99.6</b>	

A 5% increase in the relevant sector, starting on the statement of financial position date and applicable for every sector, would result in a profit increase for the reporting period as shown in the table below. A 5% decrease in the sector would have an impact of the same magnitude in the opposite direction.

(amounts x € 1)		2020		2019	
Sector	Amount	% of the NAV	Amount	% of the NAV	
Financial	12,514,583	1.2	32,333,166	1.5	
Government	10,763,742	1.0	9,923,566	0.5	
Non-cyclical consumer goods	10,317,995	1.0	19,528,406	0.9	
Technology	4,020,360	0.4	8,367,663	0.4	
Communications	3,567,875	0.3	7,957,636	0.4	
Industrial	3,383,245	0.3	9,446,829	0.4	
Cyclical consumer goods	3,103,306	0.3	8,742,257	0.3	
Basic Materials	1,286,771	0.2	3,335,197	0.2	
Energy	1,140,763	0.2	4,158,944	0.2	
Utilities	117,749	0.1	1,650,490	0.1	
Diversified	50,447	0.0	506,607	0.0	

## Overview of investments to country

(amounts x € 1)		2020		2019	
Sector	Amount	% of the NAV	Amount	% of the NAV	
Netherlands	265,974,017	25.1	275,602,029	13.0	
United states of America	236,647,068	22.3	683,695,049	32.1	
Germany	113,064,346	10.7	155,326,479	7.3	
France	98,692,549	9.3	174,953,257	8.2	
Japan	80,933,435	7.6	259,881,382	12.2	
United Kingdom	47,250,661	4.5	133,884,534	6.3	
Belgium	39,948,800	3.8	40,324,461	1.9	
Switzerland	27,641,729	2.6	64,073,396	3.0	
Australia	21,107,376	2.0	70,383,620	3.3	
Spain	19,886,456	1.9	44,086,485	2.1	
Austria	19,883,883	1.9	22,861,735	1.1	
Italy	17,667,980	1.7	34,153,844	1.6	
Canada	15,718,660	1.5	30,423,715	1.4	
Hong Kong	11,437,954	1.1	30,670,898	1.4	
Sweden	9,722,295	0.9	30,345,297	1.4	
Luxembourg	8,127,801	0.8	7,007,025	0.3	
Singapore	7,456,240	0.7	23,698,104	1.1	
Korea	4,811,722	0.5	15,553,281	0.7	
Denmark	3,753,482	0.4	8,704,574	0.4	
Finland	2,609,230	0.2	4,546,877	0.2	
Norway	2,495,195	0.2	6,300,299	0.3	
Portugal	1,081,721	0.1	229,308	0.0	
Ireland	601,688	0.1	226,129	0.0	
South Africa	420,998	0.0	2,073,660	0.1	
Cayman Islands	180,271	0.0	182,236	0.0	
Russian Federation	47,123	0.0	-	0.0	

**Interest rate risk**

The Company invests in fixed-interest financial instruments and is consequently exposed to interest rate risk.

(amounts x € 1)	<= 1 year	<= 5 years	> 5 years	Not interest-bearing	Total 2020
<b>Assets</b>					
Investments	1,234,897	203,074,407	70,275,085	782,406,420	1,056,990,809
Cash and cash equivalents	3,484,444				3,484,444
Receivables				3,429,888	3,429,888
<b>Total assets</b>	<b>4,719,341</b>	<b>203,074,407</b>	<b>70,275,085</b>	<b>785,836,308</b>	<b>1,063,905,141</b>

(amounts x € 1)	<= 1 year	<= 5 years	> 5 years	Not interest-bearing	Total 2019
<b>Assets</b>					
Investments	405,762	182,794,453	63,482,159	1,872,332,847	2,119,015,221
Cash and cash equivalents	7,038,041	-	-	-	7,038,041
Receivables	-	-	-	11,145,304	11,145,304
<b>Total assets</b>	<b>7,443,803</b>	<b>182,794,453</b>	<b>63,482,159</b>	<b>1,883,478,151</b>	<b>2,137,198,566</b>

(amounts x € 1)	0-1%	1-3%	3-5%	>5%	Total 2020
<b>Assets</b>					
Bonds	138,358,565	98,985,051	37,330,773	-	274,584,389
<b>Total assets</b>	<b>138,358,565</b>	<b>98,985,051</b>	<b>37,330,773</b>	<b>-</b>	<b>274,584,389</b>

(amounts x € 1)	0-1%	1-3%	3-5%	>5%	Total 2019
<b>Assets</b>					
Bonds	61,103,002	127,149,626	58,429,746	-	246,682,374
<b>Total assets</b>	<b>61,103,002</b>	<b>127,149,626</b>	<b>58,429,746</b>	<b>-</b>	<b>246,682,374</b>



A 5% increase in the interest rate, starting on the statement of financial position date, would result in a profit increase for the reporting period as shown in the table below. A 5% decrease in the interest rate would have an impact of the same magnitude in the opposite direction.

(amounts x € 1)		2020		2019	
Sector	Amount	% of the NAV	Amount	% of the NAV	
0-1%	6,917,928	0.7	3,055,150	0.1	
1-3%	4,949,253	0.5	6,357,481	0.3	
3-5%	1,866,539	0.2	2,921,487	0.1	
>5%	-	0.0	-	0.0	

#### Credit risk

Credit risk is the risk that the contract party in a financial instrument will not satisfy its obligation, which means the company will have to recognise a financial loss. The amount that best represents the maximum credit risk is € 281,498,721 (2019: € 264,865,719). The Company invests in monetary financial instruments and is consequently exposed to significant credit risk.

(amounts x € 1)		2020	2019
Credit rating	Amount	Amount	
AAA	85,991,850	75,073,799	
AA	119,725,658	112,349,629	
A	28,394,969	38,549,293	
BBB	43,791,287	27,712,377	
BB	130,050	35,317	
B	35,019	-	
No rating	3,429,888	11,145,304	
<b>Total</b>	<b>281,498,721</b>	<b>264,865,719</b>	

**Liquidity risk**

Liquidity risk is the risk that the legal entity will be unable to secure the financial resources needed to satisfy obligations under the financial instruments. Liquidity risk can arise, for instance, if a financial asset cannot be sold at fair value in the short term. Shares in the Sub-funds can be bought and sold on Euronext Amsterdam or other exchanges where the Sub-funds are listed, whereby the Liquidity Provider ensures that there is both a bid and ask price at which the share can be traded. The Fund's investments are likewise listed. Consequently, the company is not exposed to significant liquidity risk.

**7. Other payables**

(amounts x € 1)	2020	2019
Interest payable	1,523	-
Management costs payable	211,153	380,048
Dividend tax payable	1,063,287	1,036,785
Securities transactions still to be settled	-	4,571,656
Payable for shares redeemed	2,228,071	-
Other short-term debts	64,035	4,607,645
<b>Total</b>	<b>3,568,069</b>	<b>10,596,134</b>

The other short-term debts relate to redemptions. All other payables will be settled in less than 1 year.

**8. Related parties**

A party is an related party if one party can exercise control over the other party or exert significant influence on the other party's financial and operational policy.

VanEck Asset Management B.V. is the Company's director according to the articles of association and acts as Manager of the Company. The Company has no employees.

The management costs for the investors in Sub-funds can vary per Sub-fund and are expressed as a percentage of the net intrinsic value of every individual Sub-fund. The management costs include all costs relating to the management of a fund, such as the management fee, costs of the custodial bank and the payment office, the listing costs, auditor's fee, costs of the purchase and issue of shares, the costs of having the Sub-funds correspond to the relevant index and the administration costs. The management costs are deducted daily from the definitive Net Intrinsic Value of a share in a Sub-fund. The management costs for the period from 1 January 2020 to 31 December 2020 amount to € 3,432,012 (2019: € 4,047,953).

Management costs per fund	Prospectus	Realisation
Series A: VanEck Vectors™ AEX UCITS ETF	0.30%	0.30%
Series B: VanEck Vectors™ AMX UCITS ETF	0.35%	0.35%
Series C: VanEck Vectors™ Multi-Asset Conservative Allocation UCITS ETF	0.28%	0.28%
Series D: VanEck Vectors™ Multi-Asset Balanced Allocation UCITS ETF	0.30%	0.30%
Series E: VanEck Vectors™ Multi-Asset Growth Allocation UCITS ETF	0.32%	0.32%
Series F: VanEck Vectors™ Global Equal Weight UCITS ETF	0.17%	0.16%
Series G: VanEck Vectors™ Global Real Estate UCITS ETF	0.25%	0.25%
Series H: VanEck Vectors™ iBoxx EUR Corporates UCITS ETF	0.15%	0.15%
Series I: VanEck Vectors™ iBoxx EUR Sovereign Diversified 1-10 UCITS ETF	0.15%	0.15%
Series J: VanEck Vectors™ iBoxx EUR Sovereign Capped AAA-AA 1-5 UCITS ETF	0.15%	0.15%
Series K: VanEck Vectors™ Sustainable World Equal Weight UCITS ETF	0.30%	0.30%
Series L: VanEck Vectors™ European Equal Weight UCITS ETF	0.20%	0.20%
Series M: VanEck Vectors™ Morningstar North America Equal Weight UCITS ETF	0.20%	0.20%
Series N: VanEck Vectors™ Morningstar Developed Markets Dividend Leaders UCITS ETF	0.38%	0.38%

**Ongoing charges figure (OCF)**

The OCF shows the ratio of ongoing costs to average intrinsic value. The ongoing charges encompass all costs charged to the fund assets during the reporting period, except for the spread applied for entering and exiting participants, any performance fees and transaction costs of investments and interest charges on bank accounts.

The average intrinsic value is based on the intrinsic values on every day that the intrinsic value of the Sub-fund is determined during the reporting period. The OCF per Sub-fund is disclosed in the notes to the financial statements for each Sub-fund.

**Portfolio turnover ratio (PTR)**

The PTR for the assets per Sub-fund is disclosed in the notes to the financial statements for each Sub-fund.

**Auditor's fee**

The manager charges an overall cost allowance. The manager pays the auditor's fee from the cost allowance. The auditor's fee charged to the manager for 2020 as a whole amounts to € 91,000 excluding VAT (2019 as a whole: € 65,890 ) for the audit of the financial statements and € 4,000 excluding VAT for the assurance procedures for the supervisory authority ensuring that the UCITS provisions from the Market Conduct Supervision (Financial Institutions) Decree are satisfied. The auditor's fee cannot be further quantified on the level of each Sub-fund and is therefore not disclosed in further detail in the financial statements for the Sub-funds.

**Other notes****Distributions in the period**

The Board of Directors intends to pay out dividend quarterly. The following Distributions took place during the reporting period.

	Date	Dividend per share
Series A: VanEck Vectors™ AEX UCITS ETF	25 March 2020	0,13
	24 June 2020	0,51
	23 September 2020	0,32
	23 December 2020	0,13
Series B: VanEck Vectors™ AMX UCITS ETF	25 March 2020	0,00
	24 June 2020	0,79
	23 September 2020	0,55
	23 December 2020	0,00
Series C: VanEck Vectors™ Multi-Asset Conservative Allocation UCITS ETF	25 March 2020	0,10
	24 June 2020	0,22
	23 September 2020	0,19
	23 December 2020	0,18
Series D: VanEck Vectors™ Multi-Asset Balanced Allocation UCITS ETF	25 March 2020	0,15
	24 June 2020	0,34
	23 September 2020	0,25
	23 December 2020	0,26
Series E: VanEck Vectors™ Multi-Asset Growth Allocation UCITS ETF	25 March 2020	0,18
	24 June 2020	0,42
	23 September 2020	0,40
	23 December 2020	0,28
Series F: VanEck Vectors™ Global Equal Weight UCITS ETF	25 March 2020	0,17
	24 June 2020	0,37
	23 September 2020	0,75
	23 December 2020	0,22

	Date	Dividend per share
Series G: VanEck Vectors™ Global Real Estate UCITS ETF	25 March 2020	0,33
	24 June 2020	0,31
	23 September 2020	0,60
	23 December 2020	0,26
Series H: VanEck Vectors™ iBoxx EUR Corporates UCITS ETF	25 March 2020	0,05
	24 June 2020	0,09
	23 September 2020	0,00
	23 December 2020	0,05
Series I: VanEck Vectors™ iBoxx EUR Sovereign Diversified 1-10 UCITS ETF	25 March 2020	0,05
	24 June 2020	0,00
	23 September 2020	0,00
	23 December 2020	0,06
Series J: VanEck Vectors™ iBoxx EUR Sovereign Capped AAA-AA 1-5 UCITS ETF	25 March 2020	0,05
	24 June 2020	0,09
	23 September 2020	0,10
	23 December 2020	0,16
Series K: VanEck Vectors™ Sustainable World Equal Weight UCITS ETF	25 March 2020	0,31
	24 June 2020	0,55
	23 September 2020	0,56
	23 December 2020	0,37
Series L: VanEck Vectors™ European Equal Weight UCITS ETF	25 March 2020	0,21
	24 June 2020	0,66
	23 September 2020	0,25
	23 December 2020	0,20
Series M: VanEck Vectors™ Morningstar North America Equal Weight UCITS ETF	25 March 2020	0,12
	24 June 2020	0,20
	23 September 2020	0,10
	23 December 2020	0,16
Series N: VanEck Vectors™ Morningstar Developed Markets Dividend Leaders UCITS ETF	25 March 2020	0,17
	24 June 2020	0,39
	23 September 2020	0,25
	23 December 2020	0,23

#### Distribution after the statement of financial position date

The Distributions for the 2020 financial year took place in 2020; as such, the distribution requirement was satisfied. No final dividend will be paid out.

#### Personnel

The company did not employ any personnel during the reporting period.

**Fiscal status**

The Company is a public company with registered office in Amsterdam, incorporated under Dutch law. The Company opts for the status of fiscal investment institution (FII) as referred to in section 28 of the Corporation Tax Act 1969. An FII is subject to a 0% rate for the levy of corporation tax if certain conditions are satisfied.

**Securities borrowing and lending**

The Sub-funds do not lend out any securities.

**Return commissions and soft commissions**

There were no return commissions or soft commissions during the reporting period.

**Outsourcing of tasks**

VanEck outsources many of its tasks to third parties. This allows the organisation to remain small. VanEck is still always responsible for the performance of these tasks.

The outsourced tasks and responsibilities are set out below:

<b>Process</b>	<b>Outsourced to</b>
Investment accounting	CACEIS Bank
Financial administration umbrella structure	CACEIS Bank
Calculation and submission of NAV and iNAV	Indexproviders Euronext, Markit en Solactive
Preparation and sending of compo file	Markit en Solactive op basis van informatie van CACEIS Bank
Preparation and sending of DRA reports to DNB	CACEIS Bank

**Subsequent events**

From 01-02-2021 State Street will be the new depositary and custodian instead of CACEIS Bank.

# VanEck Vectors™ ETFs N.V.

Annual Report 2020

Serie A  
VanEck Vectors™ AEX UCITS ETF

# VanEck®

Access the opportunities.

## General information

### Investment policy

The aim of the VanEck Vectors™ AEX UCITS ETF is to follow the AEX index® (the 'AEX®') as closely as possible. The AEX® is the index made up of the 25 largest listed stocks on Euronext Amsterdam N.V. As such the AEX® reflects the performance of Dutch blue chips and is a good indicator of the Dutch market as a whole.

The weight taken up by a share in the AEX® is determined with reference to the market capitalisation: the greater a company's market capitalisation, the greater its weight in the AEX®. A maximum of 15% applies per listed stock. The market capitalisation is calculated by multiplying a share's price by the number of issued shares. For the sake of tradability, only the number of freely tradable shares, the so-called 'free float', is included in the calculation. Locked-in shares are left out of consideration. The AEX® is reweighted at least once a year.

The VanEck Vectors™ AEX UCITS ETF will likewise be reweighted annually in order to be brought back in line with the (annually) reweighted AEX®. Costs incurred in connection with the reweighting of VanEck Vectors™ AEX UCITS ETF are at the expense of this Sub-fund.

### Key figures Series A: VanEck Vectors™ AEX UCITS ETF

(amounts x € 1)	2020	2019	2018	2017	2016
<i>Summary per share<sup>1</sup></i>					
Changes in the value of investments	4.96	12.58	(5.64)	6.19	4.58
Direct returns	1.22	2.13	1.85	1.78	1.68
<b>Total operating income</b>	<b>6.18</b>	<b>14.71</b>	<b>(3.79)</b>	<b>7.97</b>	<b>6.26</b>
Management costs and interest charges	(0.17)	(0.17)	(0.16)	(0.16)	(0.13)
<b>Total operating expenses</b>	<b>(0.17)</b>	<b>(0.17)</b>	<b>(0.16)</b>	<b>(0.16)</b>	<b>(0.13)</b>
Distribution	1.09	1.96	1.65	1.66	1.59
Fund assets	186,580,630	168,880,202	180,481,634	164,663,854	147,596,282
Number of outstanding shares	2,990,000	2,795,000	3,695,000	3,020,000	3,045,000
Intrinsic value per share	62.40	60.42	48.84	54.52	48.47
Fund performance	5.36%	28.03%	(7.68%)	16.05%	13.24%
Benchmark performance	5.71%	28.52%	(7.36%)	16.52%	13.59%

<sup>1</sup> The summary per share is calculated by dividing the result by average number of shares.



## 4.6 Financial statements VanEck Vectors™ AEX UCITS ETF

### 4.6.1. Statement of financial position

(amounts x € 1) (		2020	2019 (Restated)
<b>ASSETS</b>			
Cash and cash equivalents	{1}	11,212	2,500
<u>Investments</u>			
Equity instruments		183,991,179	163,737,093
Indirect real estate		2,626,598	5,184,077
<b>Investments</b>	<b>{2}</b>	<b>186,617,777</b>	<b>168,921,170</b>
<b>Total assets</b>		<b>186,628,989</b>	<b>168,923,670</b>
<b>LIABILITIES</b>			
Other payables	{4}	48,359	43,468
<b>Net assets attributable to shareholders</b>	<b>{3}</b>	<b>186,580,630</b>	<b>168,880,202</b>
<b>Total liabilities</b>		<b>186,628,989</b>	<b>168,923,670</b>

The numbers next to the items refer to the notes to the statement of financial position and statement of profit and loss and other comprehensive income. The notes form an integral part of the financial statements.

**4.6.2. Statement of profit and loss and other comprehensive income**

(amounts x € 1)	2020	2019 (Restated)
<b>Investment result</b>		
Changes in the value of investments	15,937,045	39,381,810
Interest income	-	2
Interest expense	(2,889)	(3,655)
Dividend income	3,908,694	6,654,125
Foreign exchange differences	(11)	2
<b>Total investment result</b>	<b>19,842,839</b>	<b>46,032,284</b>
Management costs {7}	(537,202)	(524,815)
Transaction costs	(930)	(1,694)
<b>Total expenses</b>	<b>(538,132)</b>	<b>(526,509)</b>
<b>Distribution</b>	<b>(3,598,850)</b>	<b>(6,129,950)</b>
<b>Increase in the net assets attributable to shareholders</b>	<b>15,705,857</b>	<b>39,375,825</b>

The numbers next to the items refer to the notes to the statement of financial position and statement of profit and loss and other comprehensive income. The notes form an integral part of the financial statements.

**4.6.3. Statement of cash flows**

(amounts x € 1)	2020	2019
Purchases of investments	(80,286,310)	(39,999,197)
Sales of investments	78,526,748	89,679,904
Interest paid	(2,820)	(3,653)
Dividends received	3,908,694	6,654,125
Management costs paid	(532,340)	(528,419)
Other expenses paid	(970)	(1,661)
<b>Cash flow from operating activities</b>	<b>1,613,002</b>	<b>55,801,099</b>
Issue of shares	61,253,216	21,697,046
Repurchase of shares	(59,258,645)	(71,453,165)
Distribution	(3,598,850)	(6,129,950)
<b>Net cash flow from financing activities</b>	<b>(1,604,279)</b>	<b>(55,886,069)</b>
Foreign exchange differences	(11)	2
<b>Net cash flow</b>	<b>8,712</b>	<b>(84,968)</b>
Cash and cash equivalents at beginning of the period	2,500	87,468
<b>Cash and cash equivalents at end of the period</b>	<b>11,212</b>	<b>2,500</b>

The notes form an integral part of the financial statements.

**4.6.4. Statement of changes in net assets attributable to shareholders**

(amounts x € 1)	2020	2019 (Restated)
<b>Net assets attributable to redeemable participating shareholders at the beginning of the financial year</b>	<b>168,880,202</b>	<b>180,481,634</b>
Proceeds from the issuance of redeemable participating shares	61,253,216	20,475,908
Payments for the redemption of redeemable participating shares	(59,258,645)	(71,453,165)
Increase/decrease in the net assets attributable to shareholders	15,705,857	39,375,825
<b>Net assets attributable to redeemable participating shareholders at the end of the financial year</b>	<b>186,580,630</b>	<b>168,880,202</b>
<b>Number of redeemable participating shares</b>		
Redeemable participating shares at the beginning of the financial year	2,795,000	3,695,000
Issuance of redeemable participating shares	1,270,000	375,000
Repurchase of redeemable participating shares	(1,075,000)	(1,275,000)
<b>Redeemable participating shares at the end of the financial year</b>	<b>2,990,000</b>	<b>2,795,000</b>

#### 4.6.5. Notes

##### Accounting policies

For the accounting policies used for the financial statements, refer to the Company's accounting policies as set out in chapter 4.5.

##### Correction of error

During the financial closing of the 2020 annual report, an error was identified in the classification of the puttable shares as equity. Based on IAS 32.16A, the puttable shares should have been classified as a liability since the expected cash flows attributable over the life of the instrument and the pro-rata claim in the event of the fund's liquidation is different per sub-fund.

Carrying amount (amounts x € 1)	Original 2019	Restated 2019
<b>Statement of financial position as of 31 December</b>		
Equity	168,880,202	-
Net assets attributable to shareholders	-	168,880,202
<b>Total</b>	<b>168,880,202</b>	<b>168,880,202</b>
<b>Statement of profit and loss and other comprehensive income</b>		
Distribution	-	(6,129,950)
Total Result	39,373,825	-
Increase in the net assets attributable to shareholders	-	45,505,775
<b>Total</b>	<b>39,373,825</b>	<b>39,373,825</b>

As we consider the error material we applied IAS 8 ('Accounting Policies, Changes in Accounting Estimates and Errors') and adjusted the comparative financial figures for the above accounts in the 2019 financial statements. The error does impact the classification of the results puttable shares and impact the result. The error doesn't impact the result or the NAV per share.

For previous years the same classification would apply and it would not impact the Net Asset Value for these years.

##### Notes to the statement of financial position and statement of profit and loss and other comprehensive income

##### 1. Cash and cash equivalents

At 31 December 2020 there are no restrictions on the use of the cash and cash equivalents.

The Foreign exchange rates as of 31 December 2020 are as follows:

Foreign currency	31 December 2020	Average of 2020	31 December 2019	Average of 2019
USD	1.2236	1.1400	1.1225	1.1192

**2. Investments****Summary of changes in the investments according to characteristic of financial instrument**

(amounts x € 1)	2020	2019
<b>Equity instruments</b>		
Opening balance	163,737,093	173,626,347
Purchases of investments	78,934,358	37,867,603
Sales of investments	(77,644,657)	(86,802,856)
Changes in value	18,964,385	39,045,999
<b>Closing balance equity instruments</b>	<b>183,991,179</b>	<b>163,737,093</b>
<b>Indirect real estate</b>		
Opening balance	5,184,077	6,817,119
Purchases of investments	1,351,952	908,195
Sales of investments	(882,091)	(2,877,048)
Changes in value	(3,027,340)	335,811
<b>Closing balance indirect real estate</b>	<b>2,626,598</b>	<b>5,184,077</b>
<b>Total investments</b>		
Opening balance	168,921,170	180,443,466
Purchases of investments	80,286,310	38,775,798
Sales of investments	(78,526,748)	(89,679,904)
Changes in value	15,937,045	39,381,810
<b>Closing balance total investments</b>	<b>186,617,777</b>	<b>168,921,170</b>

The table below provides an analysis of the financial instruments measured at fair value, per valuation method.

**Composition of investments according to valuation technique**

(amounts x € 1)	2020	2019
Level 1	186,617,777	168,921,170
<b>Total</b>	<b>186,617,777</b>	<b>168,921,170</b>

All the investments of the Sub-fund are listed and therefore classified as level 1 investments.

## VanEck Vectors™ AEX UCITS ETF

## Composition of investments according to valuation technique

(amounts x € 1)	2020		
	Currency	Market value	% of NAV
<b>Equity instruments</b>			
ASML Holding NV	EUR	31,378,224	16.7
Unilever PLC	EUR	20,217,910	10.8
Royal Dutch Shell PLC	EUR	19,748,278	10.6
Adyen NV	EUR	14,323,695	7.7
RELX PLC	EUR	12,102,687	6.5
Koninklijke Philips NV	EUR	11,540,145	6.2
Prosus NV	EUR	10,549,389	5.7
ING Groep NV	EUR	8,752,452	4.7
Koninklijke DSM NV	EUR	7,508,864	4.0
Koninklijke Ahold Delhaize NV	EUR	7,477,402	4.0
Heineken NV	EUR	6,177,966	3.3
Wolters Kluwer NV	EUR	5,542,272	3.0
Akzo Nobel NV	EUR	5,154,922	2.8
ArcelorMittal SA	EUR	3,686,358	2.0
Just Eat Takeaway	EUR	3,480,985	1.9
NN Group NV	EUR	3,049,895	1.6
Koninklijke KPN NV	EUR	2,611,624	1.4
ASM International NV	EUR	2,577,784	1.4
Randstad NV	EUR	1,721,196	0.9
IMCD NV	EUR	1,611,601	0.9
Aegon NV	EUR	1,601,467	0.9
ASR Nederland NV	EUR	1,293,469	0.7
Galapagos NV	EUR	994,411	0.5
ABN AMRO Bank NV	EUR	888,183	0.4
<b>Total equity instruments</b>		<b>183,991,179</b>	<b>98.6</b>
<b>Indirect real estate</b>			
Unibail-Rodamco-Westfield	EUR	2,626,598	1.4
<b>Total indirect real estate</b>		<b>2,626,598</b>	<b>1.4</b>
<b>Total investments</b>		<b>186,617,777</b>	<b>100.0</b>

## 3. Summary of changes in the assets under management

(amounts x € 1)	2020	2019
<b>Opening balance</b>	<b>168,880,202</b>	<b>180,481,634</b>
Issue of shares	61,253,216	20,475,908
Purchase of shares	(59,258,645)	(71,453,165)
Distribution	(3,598,850)	(6,129,950)
Interest income	-	2
Interest expense	(2,889)	(3,655)
Dividend income	3,908,694	6,654,125
Changes in the value of investments	15,937,045	39,381,810
Management fee	(537,202)	(524,815)
Exchange rate differences	(11)	2
Other expenses	(930)	(1,694)
<b>Closing balance</b>	<b>186,580,630</b>	<b>168,880,202</b>

## VanEck Vectors™ AEX UCITS ETF

During the financial closing of the 2020 annual report, an error was identified in the classification of the puttable shares as equity. Based on IAS 32.16A, the puttable shares should have been classified as a liability since the expected cash flows attributable over the life of the instrument and pro-rata claim in the event of the entity's liquidation is different per sub-fund. The error in the financial statements of 2019 resulted in the reclassification of the puttable instruments from equity to liability.

As we consider the error material we applied IAS 8 ('Accounting Policies, Changes in Accounting Estimates and Errors') and adjusted the equity amounts to liability in the comparative financial statements. The error does impact the classification of the results on puttable shares. The error doesn't impact the result or the NAV per share.

#### 4. Other payables

(amounts x € 1)	2020	2019
Interest payable	69	-
Management costs payable	47,865	43,003
Other short-term debts	425	465
<b>Total</b>	<b>48,359</b>	<b>43,468</b>

#### 5. Related parties

A party is an related party if one party can exercise control over the other party or exert significant influence on the other party's financial and operational policy.

VanEck Asset Management B.V. is the Company's director according to the articles of association and acts as Manager of the Company.

The management costs include all costs relating to the management of a fund, such as the management fee, costs of the custodial bank and the payment office, the listing costs, auditor's fee, costs of the purchase and issue of shares, the costs of having the Sub-funds correspond to the relevant index and the administration costs. The management costs are deducted daily from the definitive Net Intrinsic Value of a share in a Sub-fund. The management costs for the period from 1 January 2020 to 31 December 2020 amount to € 537,202 (same period in 2019: € 524,815).

#### 6. Risks with regard to the financial instruments

##### Market risk

In terms of price risk, a distinction can be made between:

- Currency risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in exchange rates;
- Other price risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in market prices caused by factors that apply exclusively for the individual instrument or emitting party, or by factors that affect all instruments traded on the market;
- Interest rate risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in the market interest rate.

The notion of market risk encompasses not only the likelihood of losses, but also the likelihood of gains.

##### Currency risk

The fund has investments denominated in foreign currency and is therefore exposed to significant currency risk.

##### Market risk

The risk as a result of changes in market prices is limited by diversifying the investments in the portfolio as much as possible by region and sector.

**Portfolio distribution by sector**

(amounts x € 1)		2020		2019	
Sector	Amount	% of the NAV	Amount	% of the NAV	
Non-cyclical consumer goods	78,036,398	41.8	59,498,615	35.1	
Technology	33,956,008	18.2	34,247,736	20.3	
Energy	19,748,278	10.6	21,083,171	12.5	
Communications	18,703,285	10.0	7,352,645	4.4	
Financial	18,212,064	9.8	31,041,275	18.4	
Basic Materials	17,961,744	9.6	14,695,397	8.7	
Cyclical consumer goods	-	-	1,002,331	0.6	
<b>Total</b>	<b>186,617,777</b>	<b>100.0</b>	<b>168,921,170</b>	<b>100.0</b>	

A 5% increase in the relevant sector, starting on the statement of financial position date and applicable for every sector, would result in a profit increase for the reporting period as shown in the table below.

(amounts x € 1)		2020		2019	
Sector	Amount	% of the NAV	Amount	% of the NAV	
Non-cyclical consumer goods	3,901,820	2.1	2,974,931	1.8	
Technology	1,697,800	0.9	1,712,387	1.0	
Energy	987,414	0.5	1,054,159	0.6	
Communications	935,164	0.5	367,632	0.2	
Financial	910,603	0.5	1,552,064	0.9	
Basic Materials	898,087	0.5	734,770	0.4	

A 5% decrease in the sector would have an impact of the same magnitude in the opposite direction.

**Interest rate risk**

The Sub-fund does not invest in fixed-interest financial instruments and is consequently not exposed to significant interest rate risk.

**Credit risk**

Credit risk is the risk that the contract party in a financial instrument will not satisfy its obligation, which means the Sub-fund will have to recognise a financial loss. The amount that best represents the maximum credit risk is € 11,212 (2019: € 2,500).

The Sub-fund does not invest in monetary financial instruments and is consequently not exposed to significant credit risk.

**Liquidity risk**

Liquidity risk, also called funding risk, is the risk that the legal entity will be unable to secure the financial resources needed to satisfy obligations under the financial instruments. Liquidity risk can arise, for instance, if a financial asset cannot be sold at fair value in the short term.

Shares in the Sub-funds can be bought and sold on Euronext Amsterdam, whereby the Liquidity Provider ensures that there is both a bid and ask price at which the share can be traded. The Sub-fund's investments are likewise listed. Consequently the Sub-fund is not exposed to significant liquidity risk.



## VanEck Vectors™ AEX UCITS ETF

**7. Cost section****OCF (ongoing charges figure)**

The OCF is a measure of the ongoing costs charged to the Sub-fund during the reporting period. The following starting points are important for calculating the ongoing charges:

- The OCF shows the ratio of ongoing costs to average intrinsic value. The ongoing charges encompass all costs charged to the fund assets during the reporting period, with the exception of the spread applied for the entry and exit of shareholders, any performance fees and transaction costs of investments and interest charges on bank accounts. Performance fees must be presented separately, if applicable. No performance fee applies for the VanEck UCITS ETFs.
- The average intrinsic value is based on the intrinsic values on every day that the intrinsic value of the Sub-fund is determined during the reporting period.

(amounts x € 1.000)	2020	2019
<b>Average intrinsic value</b>	<b>179,065,093</b>	<b>174,951,573</b>
Total costs within the Sub fund	537,202	524,815
<b>OCF</b>	<b>0.30%</b>	<b>0.30%</b>

**Comparison of costs to prospectus over 2020 financial year**

(amounts x € 1)	Amount	%	Prospectus
Total costs within the Sub fund	537,202	0.30%	0.30%
<b>Total</b>	<b>537,202</b>	<b>0.30%</b>	<b>0.30%</b>

The percentage is calculated with respect to the average assets as used for the OCF.

**Portfolio Turnover ratio**

The Portfolio Turnover ratio (PTR) gives an indication of the turnover rate of the Sub-fund's portfolio. This indicator gives an impression of the relative transaction costs involved in the differences in portfolio management.

The PTR is calculated as follows:

$$[(\text{Total 1} - \text{Total 2}) / X] * 100$$

Total 1: the total amount in securities transactions (securities purchases + securities sales)

Total 2: the total amount in transactions (issue + purchases) of participation rights in the investment institution

X: the average intrinsic value of the investment institution.

An PTR of 21.4% is calculated using this formula (2019: 20.2%). This means that in 2020, purchases and sales took place in the amount of 0.2 times the average intrinsic value of the Sub-fund. This amount has been corrected for the regular purchases and sales performed on account of entries and exits.

# VanEck Vectors™ ETFs N.V.

Annual Report 2020

Serie B

VanEck Vectors™ AMX UCITS ETF

# VanEck®

Access the opportunities.

## VanEck Vectors™ AMX UCITS ETF

## General information

## Investment policy

The aim of the VanEck Vectors™ AMX UCITS ETF is to follow the AMX index® (the 'AMX®') as closely as possible. The AMX® is the index made up of the 25 largest listed stocks on Euronext Amsterdam N.V. after the listed stock traded on the AEX index®. As such the AMX® is a good indicator of the performance of medium-sized Dutch businesses.

The weight taken up by a share in the AMX® is determined with reference to the market capitalisation: the greater a company's market capitalisation, the greater its weight in the AMX®. A maximum of 15% applies per listed stock. The market capitalisation is calculated by multiplying a share's price by the number of issued shares. For the sake of tradability, only the number of freely tradable shares, the so-called 'free float', is included in the calculation. Locked-in shares are left out of consideration. The AMX® is reweighted at least once a year.

The VanEck Vectors™ AMX UCITS ETF will likewise be reweighted annually in order to be brought back in line with the (annually) reweighted AMX®. The costs incurred in connection with the reweighting of the VanEck Vectors™ AMX UCITS ETF are at the expense of this Sub-fund.

## Key figures Series B: VanEck Vectors™ AMX UCITS ETF

(amounts x € 1)	2020	2019	2018	2017	2016
<i>Summary per share<sup>2</sup></i>					
Changes in the value of investments	(10.16)	29.24	(17.66)	14.48	(1.29)
Direct returns	1.59	2.13	2.56	1.97	1.62
<b>Total operating income</b>	<b>(8.57)</b>	<b>31.37</b>	<b>(15.10)</b>	<b>16.45</b>	<b>0.33</b>
Management costs and interest charges	(0.28)	(0.28)	(0.27)	(0.28)	(0.23)
Other expenses	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)
<b>Total operating expenses</b>	<b>(0.29)</b>	<b>(0.28)</b>	<b>(0.27)</b>	<b>(0.28)</b>	<b>(0.23)</b>
Distribution	1.34	2.18	2.22	1.75	1.39
Fund assets	26,498,716	23,561,769	30,360,202	36,607,043	20,557,740
Number of outstanding shares	286,000	261,000	465,000	440,000	300,000
Intrinsic value per share*	92.65	90.27	65.29	83.20	68.53
Fund performance	4.42%	42.07%	(19.23%)	24.06%	0.45%
Benchmark performance	5.05%	42.61%	(18.96%)	24.71%	0.84%

\* Compared to last year the intrinsic value per share increased despite of a negative operational result and Distribution. This is related to the subscriptions and redemptions during the stock market dip of March 2020 due to Covid-19.

<sup>2</sup> The summary per share is calculated by dividing the result by average number of shares.

## 4.7 Financial statements VanEck Vectors™ AMX UCITS ETF

### 4.7.1. Statement of financial position

(amounts x € 1)		2020	2019 (Restated)
<b>ASSETS</b>			
Cash and cash equivalents	{1}	11,557	8,579
<u>Investments</u>			
Equity instruments		23,754,297	21,200,878
Indirect real estate		2,724,630	2,341,857
<b>Investments</b>	{2}	<b>26,478,927</b>	<b>23,542,735</b>
Receivables	{3}	16,704	18,174
<b>Total assets</b>		<b>26,507,188</b>	<b>23,569,488</b>
<b>LIABILITIES</b>			
Other payables	{5}	8,472	7,719
<b>Net assets attributable to shareholders</b>	{4}	<b>26,498,716</b>	<b>23,561,769</b>
<b>Total liabilities</b>		<b>26,507,188</b>	<b>23,569,488</b>

The numbers next to the items refer to the notes to the statement of financial position and statement of profit and loss and other comprehensive income. The notes form an integral part of the financial statements.

**4.7.2. Statement of profit and loss and other comprehensive income**

(amounts x € 1)	2020	2019 (Restated)
<b>Investment result</b>		
Changes in the value of investments	(3,220,475)	9,933,238
Interest expense	(319)	(590)
Dividend income	502,937	724,942
<b>Total investment result</b>	<b>(2,717,857)</b>	<b>10,657,590</b>
Management costs {8}	(88,913)	(93,516)
Transaction costs	(2,025)	(1,696)
<b>Total expenses</b>	<b>(90,938)</b>	<b>(95,212)</b>
<b>Distribution</b>	<b>(402,990)</b>	<b>(638,400)</b>
<b>Increase/decrease in the net assets attributable to shareholders</b>	<b>(3,211,785)</b>	<b>9,923,978</b>

The numbers next to the items refer to the notes to the statement of financial position and statement of profit and loss and other comprehensive income. The notes form an integral part of the financial statements.

**4.7.3. Statement of cash flows**

(amounts x € 1)	2020	2019
Purchases of investments	(20,467,373)	(10,354,142)
Sales of investments	14,310,706	27,091,925
Interest paid	(308)	(590)
Dividends received	502,937	723,630
Management costs paid	(88,205)	(95,535)
Other expenses paid	(1,991)	(1,387)
<b>Cash flow from operating activities</b>	<b>(5,744,234)</b>	<b>17,363,901</b>
Issue of shares	13,830,500	-
Repurchase of shares	(7,681,768)	(16,722,411)
Distribution	(401,520)	(638,400)
<b>Net cash flow from financing activities</b>	<b>5,747,212</b>	<b>(17,360,811)</b>
<b>Net cash flow</b>	<b>2,978</b>	<b>3,090</b>
Cash and cash equivalents at beginning of the period	8,579	5,489
<b>Cash and cash equivalents at end of the period</b>	<b>11,557</b>	<b>8,579</b>

The notes form an integral part of the financial statements.

**4.7.4. Statement of changes in net assets attributable to shareholders**

(amounts x € 1)	2020	2019
<b>Net assets attributable to redeemable participating shareholders at the beginning of the financial year</b>	<b>23,561,769</b>	<b>30,360,202</b>
Proceeds from the issuance of redeemable participating shares	13,830,500	-
Payments for the redemption of redeemable participating shares	(7,681,768)	(16,722,411)
Increase/decrease in the net assets attributable to shareholders	(3,211,785)	9,923,978
<b>Net assets attributable to redeemable participating shareholders at the end of the financial year</b>	<b>26,498,716</b>	<b>23,561,769</b>
<b>Number of redeemable participating shares</b>		
Redeemable participating shares at the beginning of the financial year	261,000	465,000
Issuance of redeemable participating shares	150,000	-
Repurchase of redeemable participating shares	(125,000)	(204,000)
<b>Redeemable participating shares at the end of the financial year</b>	<b>286,000</b>	<b>261,000</b>

#### 4.7.5. Notes

##### Accounting policies

For the accounting policies used for the financial statements, refer to the Company's accounting policies as set out in chapter 4.5.

##### Correction of error

During the financial closing of the 2020 annual report, an error was identified in the classification of the puttable shares as equity. Based on IAS 32.16A, the puttable shares should have been classified as a liability since the expected cash flows attributable over the life of the instrument and the pro-rata claim in the event of the fund's liquidation is different per sub-fund.

Carrying amount (amounts x € 1)	Original 2019	Restated 2019
<b>Statement of financial position as of 31 December</b>		
Equity	23,561,769	-
Net assets attributable to shareholders	-	23,561,769
<b>Total</b>	<b>23,561,769</b>	<b>23,561,769</b>
<b>Statement of profit and loss and other comprehensive income</b>		
Distribution	-	(638,400)
Total Result	9,923,978	-
Increase in the net assets attributable to shareholders	-	10,562,378
<b>Total</b>	<b>9,923,978</b>	<b>9,923,978</b>

As we consider the error material we applied IAS 8 ('Accounting Policies, Changes in Accounting Estimates and Errors') and adjusted the comparative financial figures for the above accounts in the 2019 financial statements. The error does impact the classification of the results puttable shares and impact the result. The error doesn't impact the result or the NAV per share.

For previous years the same classification would apply and it would not impact the Net Asset Value for these years.

##### Notes to the statement of financial position and statement of profit and loss and other comprehensive income

##### 1. Cash and cash equivalents

At 31 December 2020 there are no restrictions on the use of the cash and cash equivalents.

**2. Investments****Summary of changes in the investments according to characteristic of financial instrument**

(amounts x € 1)	2020	2019
<b>Equity instruments</b>		
Opening balance	21,200,878	26,802,567
Purchases of investments	18,587,225	9,961,021
Sales of investments	(13,256,011)	(25,124,744)
Changes in value	(2,777,795)	9,562,034
<b>Closing balance equity instruments</b>	<b>23,754,297</b>	<b>21,200,878</b>
<b>Indirect real estate</b>		
Opening balance	2,341,857	3,544,713
Purchases of investments	1,880,148	393,121
Sales of investments	(1,054,695)	(1,967,181)
Changes in value	(442,680)	371,204
<b>Closing balance indirect real estate</b>	<b>2,724,630</b>	<b>2,341,857</b>
<b>Total investments</b>		
Opening balance	23,542,735	30,347,280
Purchases of investments	20,467,373	10,354,142
Sales of investments	(14,310,706)	(27,091,925)
Changes in value	(3,220,475)	9,933,238
<b>Closing balance total investments</b>	<b>26,478,927</b>	<b>23,542,735</b>



## VanEck Vectors™ AMX UCITS ETF

The table below provides an analysis of the financial instruments measured at fair value, per valuation method.

## Composition of investments according to valuation technique

(amounts x € 1)	2020	2019
Level 1	26,478,927	23,542,735
<b>Total</b>	<b>26,478,927</b>	<b>23,542,735</b>

All the investments of the Sub-fund are listed and therefore classified as level 1 investments.

## Composition of investments according to valuation technique

(amounts x € 1)	2020		
	Currency	Market value	% of NAV
<b>Equity instruments</b>			
Signify NV	EUR	2,503,320	9.4
Aalberts NV	EUR	1,935,807	7.3
BE Semiconductor Industries NV	EUR	1,906,054	7.2
Altice Europe NV	EUR	1,612,748	6.1
JDE Peet's BV	EUR	1,564,463	5.9
Koninklijke Vopak NV	EUR	1,552,154	5.9
Corbion NV	EUR	1,467,155	5.5
SBM Offshore NV	EUR	1,310,059	4.9
Arcadis NV	EUR	1,105,125	4.2
Boskalis Westminster	EUR	1,018,718	3.8
APERAM SA	EUR	968,415	3.7
GrandVision BV	EUR	916,266	3.5
TKH Group NV	EUR	765,139	2.9
PostNL NV	EUR	739,537	2.8
Air France-KLM	EUR	681,815	2.6
Fagron	EUR	658,464	2.5
OCI NV	EUR	654,864	2.5
Basic-Fit NV	EUR	602,160	2.3
Intertrust NV	EUR	601,892	2.3
Flow Traders	EUR	533,461	2.0
Pharming Group NV	EUR	451,914	1.7
Fugro NV	EUR	204,767	0.7
<b>Total equity instruments</b>		<b>23,754,297</b>	<b>89.7</b>
<b>Indirect real estate</b>			
Warehouses De Pauw CVA	EUR	2,065,099	7.8
Eurocommercial Properties NV	EUR	346,881	1.3
NSI NV	EUR	312,650	1.2
<b>Total indirect real estate</b>		<b>2,724,630</b>	<b>10.3</b>
<b>Total investments</b>		<b>26,478,927</b>	<b>100.0</b>

## VanEck Vectors™ AMX UCITS ETF

**3. Receivables**

(amounts x € 1)	2020	2019
Dividend tax receivable	16,704	18,174
<b>Total</b>	<b>16,704</b>	<b>18,174</b>

**4. Summary of changes in the assets under management**

(amounts x € 1)	2020	2019
<b>Opening balance</b>	<b>23,561,769</b>	<b>30,360,202</b>
Issue of shares	13,830,500	-
Purchase of shares	(7,681,768)	(16,722,411)
Distribution	(402,990)	(638,400)
Interest expense	(319)	(590)
Dividend income	502,937	724,942
Changes in the value of investments	(3,220,475)	9,933,238
Management fee	(88,913)	(93,516)
Other expenses	(2,025)	(1,696)
<b>Closing balance</b>	<b>26,498,716</b>	<b>23,561,769</b>

During the financial closing of the 2020 annual report, an error was identified in the classification of the puttable shares as equity. Based on IAS 32.16A, the puttable shares should have been classified as a liability since the expected cash flows attributable over the life of the instrument and pro-rata claim in the event of the entity's liquidation is different per sub-fund. The error in the financial statements of 2019 resulted in the reclassification of the puttable instruments from equity to liability.

As we consider the error material we applied IAS 8 ('Accounting Policies, Changes in Accounting Estimates and Errors') and adjusted the equity amounts to liability in the comparative financial statements. The error does impact the classification of the results on puttable shares. The error doesn't impact the result or the NAV per share.

**5. Other payables**

(amounts x € 1)	2020	2019
Interest payable	11	-
Management costs payable	7,711	7,003
Other short-term debts	750	716
<b>Total</b>	<b>8,472</b>	<b>7,719</b>

## VanEck Vectors™ AMX UCITS ETF

**6. Related parties**

A party is an related party if one party can exercise control over the other party or exert significant influence on the other party's financial and operational policy.

VanEck Asset Management B.V. is the Company's director according to the articles of association and acts as Manager of the Company.

The management costs include all costs relating to the management of a fund, such as the management fee, costs of the custodial bank and the payment office, the listing costs, auditor's fee, costs of the purchase and issue of shares, the costs of having the Sub-funds correspond to the relevant index and the administration costs. The management costs are deducted daily from the definitive Net Intrinsic Value of a share in a Sub-fund. The management costs for the period from 1 January 2020 to 31 December 2020 amount to € 88,913 (same period in 2019: € 93,516).

**7. Risks with regard to the financial instruments****Market risk**

In terms of market risk, a distinction can be made between:

- Currency risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in exchange rates;
- Other price risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in market prices caused by factors that apply exclusively for the individual instrument or emitting party, or by factors that affect all instruments traded on the market;
- Interest rate risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in the market interest rate.

The notion of market risk encompasses not only the likelihood of losses, but also the likelihood of gains.

**Currency risk**

The Sub-fund only has euro investments and is consequently not exposed to significant currency risk.

**Market risk**

The risk as a result of changes in market prices is limited by diversifying the investments in the portfolio as much as possible by region and sector.

**Portfolio distribution by sector**

(amounts x € 1)				
	2020		2019	
Sector	Amount	% of the NAV	Amount	% of the NAV
Industrial	8,067,647	30.5	5,609,041	23.8
Non-cyclical consumer goods	5,660,154	21.4	4,631,059	19.7
Financial	3,258,090	12.3	2,728,370	11.6
Energy	3,066,980	11.6	1,881,665	8.0
Technology	1,906,054	7.2	3,841,672	16.3
Basic Materials	1,623,279	6.1	1,564,483	6.6
Communications	1,612,748	6.1	1,560,260	6.6
Cyclical consumer goods	1,283,975	4.8	1,726,185	7.3
<b>Total</b>	<b>26,478,927</b>	<b>100.0</b>	<b>23,542,735</b>	<b>99.9</b>

## VanEck Vectors™ AMX UCITS ETF

A 5% increase in the relevant sector, starting on the statement of financial position date and applicable for every sector, would result in a profit increase for the reporting period as shown in the table below.

(amounts x € 1)		2020		2019	
Sector	Amount	% of the NAV	Amount	% of the NAV	
Industrial	403,382	1.5	280,452	1.2	
Non-cyclical consumer goods	283,008	1.1	231,553	1.0	
Financial	162,905	0.6	136,419	0.6	
Energy	153,349	0.6	94,083	0.4	
Technology	95,303	0.4	192,084	0.8	
Basic Materials	81,164	0.3	78,224	0.3	
Communications	80,637	0.3	78,013	0.3	

A 5% decrease in the sector would have an impact of the same magnitude in the opposite direction.

**Interest rate risk**

The Sub-fund does not invest in fixed-interest financial instruments and is consequently not exposed to significant interest rate risk.

**Credit risk**

Credit risk is the risk that the contract party in a financial instrument will not satisfy its obligation, which means the Sub-fund will have to recognise a financial loss. The amount that best represents the maximum credit risk is € 28,261 (2019: € 26,753)

The Sub-fund does not invest in monetary financial instruments and is consequently not exposed to significant credit risk.

**Liquidity risk**

Liquidity risk, also called funding risk, is the risk that the legal entity will be unable to secure the financial resources needed to satisfy obligations under the financial instruments. Liquidity risk can arise, for instance, if a financial asset cannot be sold at fair value in the short term.

Shares in the Sub-funds can be bought and sold on Euronext Amsterdam, whereby the Liquidity Provider ensures that there is both a bid and ask price at which the share can be traded. The Sub-fund's investments are likewise listed. Consequently the Sub-fund is not exposed to significant liquidity risk.

## VanEck Vectors™ AMX UCITS ETF

**8. Cost section****OCF (ongoing charges figure)**

The OCF is a measure of the ongoing costs charged to the Sub-fund during the reporting period. The following starting points are important for calculating the ongoing charges:

- The OCF shows the ratio of ongoing costs to average intrinsic value. The ongoing charges encompass all costs charged to the fund assets during the reporting period, with the exception of the spread applied for the entry and exit of shareholders, any performance fees and transaction costs of investments and interest charges on bank accounts. Performance fees must be presented separately, if applicable. No performance fee applies for the VanEck UCITS ETFs.
- The average intrinsic value is based on the intrinsic values on every day that the intrinsic value of the Sub-fund is determined during the reporting period.

(amounts x € 1.000)	2020	2019
<b>Average intrinsic value</b>	<b>25,460,317</b>	<b>23,561,769</b>
Total costs within the Sub fund	88,913	93,516
<b>OCF</b>	<b>0.35%</b>	<b>0.35%</b>

**Comparison of costs to prospectus over 2020 financial year**

(amounts x € 1)	Amount	%	Prospectus
Total costs within the Sub fund	88,913	0.35%	0.35%
<b>Total</b>	<b>88,913</b>	<b>0.35%</b>	<b>0.35%</b>

The percentage is calculated with respect to the average assets as used for the OCF.

**Portfolio Turnover ratio**

The Portfolio Turnover ratio (PTR) gives an indication of the turnover rate of the Sub-fund's portfolio. This indicator gives an impression of the relative transaction costs involved in the differences in portfolio management.

The PTR is calculated as follows:

$$[(\text{Total 1} - \text{Total 2}) / X] * 100$$

Total 1: the total amount in securities transactions (securities purchases + securities sales)

Total 2: the total amount in transactions (issue + purchases) of participation rights in the investment institution

X: the average intrinsic value of the investment institution.

An PTR of 52.1% is calculated using this formula (2019: 77.4%). This means that in 2020, purchases and sales took place in the amount of 0.5 times the average intrinsic value of the Sub-fund. This amount has been corrected for the regular purchases and sales performed on account of entries and exits.

# VanEck Vectors™ ETFs N.V.

Annual Report 2020

Serie C

VanEck Vectors™ Multi-Asset Conservative Allocation UCITS ETF



Access the opportunities.

## General Information

### Investment policy

The aim of the VanEck Vectors™ Multi-Asset Conservative Allocation UCITS ETF is to follow the Indices below as closely as possible, in the ratios indicated here:

- 35% Markit iBoxx EUR Liquid Sovereign Diversified 1-10 Index
- 35% Markit iBoxx EUR Liquid Corporates Index
- 25% Solactive Global Equity Index
- 5% GPR Global 100 Index

The allocation across the Indices is reweighted annually on the first Tuesday in September, so that the allocation is brought back in line with the original ratios. The costs incurred in connection with the reweighting of the VanEck Vectors™ Multi-Asset Conservative Allocation UCITS ETF are at the expense of this Sub-fund.

### Key figures Series C: VanEck Vectors™ Multi-Asset Conservative Allocation UCITS ETF

(amounts x € 1)	2020	2019	2018	2017	2016
<i>Summary per share<sup>3</sup></i>					
Changes in the value of investments	(0.39)	4.79	(1.91)	(0.11)	1.53
Direct returns	0.93	1.08	1.19	1.37	1.20
<b>Total operating income</b>	<b>0.54</b>	<b>5.87</b>	<b>(0.72)</b>	<b>1.26</b>	<b>2.73</b>
Management costs and interest charges	(0.16)	(0.16)	(0.16)	(0.06)	(0.06)
Other expenses	-	(0.02)	(0.02)	(0.00)	(0.00)
<b>Total operating expenses</b>	<b>(0.16)</b>	<b>(0.18)</b>	<b>(0.18)</b>	<b>(0.06)</b>	<b>(0.06)</b>
Distribution	0.69	0.84	0.82	1.27	1.25
Fund assets	14,840,122	13,186,573	8,233,435	8,331,737	6,676,370
Number of outstanding shares	248,000	223,000	153,000	150,000	120,000
Intrinsic value per share	59.84	59.13	53.81	55.54	55.64
Fund performance	2.42%	11.48%	(1.65%)	2.13%	4.39%
Benchmark performance	2.11%	12.19%	(1.30%)	2.57%	4.74%

<sup>3</sup> The summary per share is calculated by dividing the result by average number of shares.

## 4.8 Financial statements VanEck Vectors™ Multi-Asset Conservative Allocation UCITS ETF

### 4.8.1. Statement of financial position

(amounts x € 1)		2020	2019 (Restated)
<b>ASSETS</b>			
Cash and cash equivalents	{1}	12,935	9,450
<u>Investments</u>			
Equity instruments		3,914,993	3,570,526
Debt instruments		10,095,303	8,881,863
Indirect real estate		774,416	679,911
<b>Investments</b>	{2}	<b>14,784,712</b>	<b>13,132,300</b>
Receivables	{3}	52,194	53,988
<b>Total assets</b>		<b>14,849,841</b>	<b>13,195,738</b>
<b>LIABILITIES</b>			
Other payables	{5}	9,719	9,165
<b>Net assets attributable to shareholders</b>	{4}	<b>14,840,122</b>	<b>13,186,573</b>
<b>Total liabilities</b>		<b>14,849,841</b>	<b>13,195,738</b>

The numbers next to the items refer to the notes to the statement of financial position and statement of profit and loss and other comprehensive income. The notes form an integral part of the financial statements.



**4.8.2. Statement of profit and loss and other comprehensive income**

(amounts x € 1)	2020	2019 (Restated)
<b>Investment result</b>		
Changes in the value of investments	(98,614)	866,057
Interest income	118,238	95,643
Interest expense	(270)	(152)
Dividend income	116,487	99,773
Foreign exchange differences	(1,550)	349
<b>Total investment result</b>	<b>134,291</b>	<b>1,061,670</b>
Management costs {8}	(40,729)	(29,251)
Transaction costs	(635)	(3,192)
<b>Total expenses</b>	<b>(41,364)</b>	<b>(32,443)</b>
<b>Distribution</b>	<b>(179,220)</b>	<b>(158,620)</b>
<b>Increase/decrease in the net assets attributable to shareholders</b>	<b>(86,293)</b>	<b>870,607</b>

The numbers next to the items refer to the notes to the statement of financial position and statement of profit and loss and other comprehensive income. The notes form an integral part of the financial statements.

**4.8.3. Statement of cash flows**

(amounts x € 1)	2020	2019
Purchases of investments	(6,289,226)	(5,785,986)
Sales of investments	4,538,183	1,711,106
Interest received	119,558	97,327
Interest paid	(259)	(12,184)
Dividends received	116,773	97,339
Management costs paid	(40,360)	(28,082)
Other expenses paid	(682)	(4,072)
<b>Cash flow from operating activities</b>	<b>(1,556,013)</b>	<b>(3,924,552)</b>
Issue of shares	4,978,705	4,082,531
Repurchase of shares	(3,238,863)	-
Distribution	(178,794)	(158,620)
<b>Net cash flow from financing activities</b>	<b>1,561,048</b>	<b>3,923,911</b>
Foreign exchange differences	(1,550)	349
<b>Net cash flow</b>	<b>3,485</b>	<b>(292)</b>
Cash and cash equivalents at beginning of the period	9,450	9,742
<b>Cash and cash equivalents at end of the period</b>	<b>12,935</b>	<b>9,450</b>

The notes form an integral part of the financial statements.

**4.8.4. Statement of changes in net assets attributable to shareholders**

(amounts x € 1)	2020	2019
<b>Net assets attributable to redeemable participating shareholders at the beginning of the financial year</b>	<b>13,186,573</b>	<b>8,233,435</b>
Proceeds from the issuance of redeemable participating shares	4,978,705	4,082,531
Payments for the redemption of redeemable participating shares	(3,238,863)	-
Increase/decrease in the net assets attributable to shareholders	(86,293)	870,607
<b>Net assets attributable to redeemable participating shareholders at the end of the financial year</b>	<b>14,840,122</b>	<b>13,186,573</b>
<b>Number of redeemable participating shares</b>		
Redeemable participating shares at the beginning of the financial year	223,000	153,000
Issuance of redeemable participating shares	85,000	70,000
Repurchase of redeemable participating shares	(60,000)	-
<b>Redeemable participating shares at the end of the financial year</b>	<b>248,000</b>	<b>223,000</b>

#### 4.8.5. Notes

##### Accounting policies

For the accounting policies used for the financial statements, refer to the Company's accounting policies as set out in chapter 4.5.

##### Correction of error

During the financial closing of the 2020 annual report, an error was identified in the classification of the puttable shares as equity. Based on IAS 32.16A, the puttable shares should have been classified as a liability since the expected cash flows attributable over the life of the instrument and the pro-rata claim in the event of the fund's liquidation is different per sub-fund.

Carrying amount (amounts x € 1)	Original 2019	Restated 2019
<b>Statement of financial position as of 31 December</b>		
Equity	13,186,573	-
Net assets attributable to shareholders	-	13,186,573
<b>Total</b>	<b>13,186,573</b>	<b>13,186,573</b>
<b>Statement of profit and loss and other comprehensive income</b>		
Distribution	-	(158,620)
Total Result	870,607	-
Increase in the net assets attributable to shareholders	-	1,029,227
<b>Total</b>	<b>870,607</b>	<b>870,607</b>

As we consider the error material we applied IAS 8 ('Accounting Policies, Changes in Accounting Estimates and Errors') and adjusted the comparative financial figures for the above accounts in the 2019 financial statements. The error does impact the classification of the results puttable shares and impact the result. The error doesn't impact the result or the NAV per share.

For previous years the same classification would apply and it would not impact the Net Asset Value for these years.

## VanEck Vectors™ Multi-Asset Conservative Allocation UCITS ETF

## Notes to the statement of financial position and statement of profit and loss and other comprehensive income

## 1. Cash and cash equivalents

At 31 December 2020 there are no restrictions on the use of the cash and cash equivalents.

The Foreign exchange rates as of 31 December 2020 are as follows:

Foreign currency	31 December 2020	Average of 2020	31 December 2019	Average of 2019
AUD	1.5856	1.6534	1.5969	1.6102
CAD	1.5588	1.5290	1.4556	1.4850
CHF	1.0816	1.0702	1.0870	1.1121
DKK	7.4435	7.4542	7.4725	7.4661
GBP	0.8951	0.8889	0.8474	0.8769
HKD	9.4873	8.8418	8.7463	8.7695
JPY	126.3255	121.7419	121.9877	121.9755
KRW	1,329.1424	1,344.7234	1,298.1152	1,304.7109
NOK	10.4760	10.7101	9.8638	9.8474
SEK	10.0485	10.4809	10.5078	10.5852
SGD	1.6171	1.5728	1.5094	1.5269
USD	1.2236	1.1400	1.1225	1.1192
ZAR	17.9725	18.6709	15.6965	16.1600

**2. Investments****Summary of changes in the investments according to characteristic of financial instrument**

(amounts x € 1)	2020	2019
<b>Equity instruments</b>		
Opening balance	3,570,526	1,895,089
Purchases of investments	1,694,535	1,736,163
Sales of investments	(1,233,924)	(601,890)
Changes in value	(116,144)	541,164
<b>Closing balance equity instruments</b>	<b>3,914,993</b>	<b>3,570,526</b>
<b>Debt instruments</b>		
Opening balance	8,881,863	5,891,833
Purchases of investments	4,204,682	3,726,925
Sales of investments	(3,166,440)	(980,208)
Changes in value	175,198	243,313
<b>Closing balance debt instruments</b>	<b>10,095,303</b>	<b>8,881,863</b>
<b>Indirect real estate</b>		
Opening balance	679,911	404,441
Purchases of investments	390,009	322,898
Sales of investments	(137,836)	(129,008)
Changes in value	(157,668)	81,580
<b>Closing balance indirect real estate</b>	<b>774,416</b>	<b>679,911</b>
<b>Total investments</b>		
Opening balance	13,132,300	8,191,363
Purchases of investments	6,289,226	5,785,986
Sales of investments	(4,538,200)	(1,711,106)
Changes in value	(98,614)	866,057
<b>Closing balance total investments</b>	<b>14,784,712</b>	<b>13,132,300</b>

The table below provides an analysis of the financial instruments measured at fair value, per valuation method.

**Composition of investments according to valuation technique**

(amounts x € 1)	2020	2019
Level 1	14,784,712	13,132,300
<b>Total</b>	<b>14,784,712</b>	<b>13,132,300</b>

All the investments of the Sub-fund are listed and therefore classified as level 1 investments.

## VanEck Vectors™ Multi-Asset Conservative Allocation UCITS ETF

## Composition of investments according to valuation technique

(amounts x € 1)	2020		
	Currency	Market value	% of NAV
<b>Equity instruments</b>			
Tesla Inc	USD	68,631	0.5
ASML Holding NV	EUR	32,201	0.2
Murata Manufacturing Co Ltd	JPY	32,092	0.2
Tokyo Electron Ltd	JPY	30,397	0.2
Commonwealth Bank of Australia	AUD	29,361	0.2
PayPal Holdings Inc	USD	28,137	0.2
Daimler AG	EUR	27,681	0.2
Nintendo Co Ltd	JPY	27,098	0.2
Starbucks Corp	USD	26,667	0.2
NIKE Inc	USD	26,593	0.2
Other		3,586,135	24.1
<b>Total equity instruments</b>		<b>3,914,993</b>	<b>26.4</b>
<b>Debt instruments</b>			
BUNDESREPUB. DEUTSCHLAND 0% 15/8/2029	EUR	422,304	2.8
BUNDESREPUB. DEUTSCHLAND 0.25% 15/2/2027	EUR	358,814	2.4
NESTLE FINANCE INTL LTD 1.75% 2/11/2037	EUR	355,228	2.4
BONOS Y OBLIG DEL ESTADO 1.3% 31/10/2026	EUR	345,124	2.3
NETHERLANDS GOVERNMENT 0% 15/7/2030	EUR	303,955	2.0
FRANCE (GOVT OF) 0% 25/11/2029	EUR	290,483	2.0
FRANCE (GOVT OF) 1% 25/5/2027	EUR	276,941	1.9
BONOS Y OBLIG DEL ESTADO 1.45% 31/10/2027	EUR	250,140	1.7
BONOS Y OBLIG DEL ESTADO 1.45% 30/4/2029	EUR	249,774	1.7
NETHERLANDS GOVERNMENT 0.75% 15/7/2027	EUR	245,937	1.7
Other		6,996,603	47.1
<b>Total debt instruments</b>		<b>10,095,303</b>	<b>68.0</b>
<b>Indirect real estate</b>			
Prologis Inc	USD	74,203	0.5
Vonovia SE	EUR	45,836	0.3
Digital Realty Trust Inc	USD	33,408	0.2
Public Storage	USD	22,460	0.2
Simon Property Group Inc	USD	22,234	0.1
AvalonBay Communities Inc	USD	20,848	0.1
Welltower Inc	USD	20,280	0.1
Link REIT	HKD	19,601	0.1
Equity Residential	USD	19,573	0.1
Invitation Homes Inc	USD	18,132	0.1
Other		477,841	3.4
<b>Total indirect real estate</b>		<b>774,416</b>	<b>5.2</b>
<b>Total investments</b>		<b>14,784,712</b>	<b>99.6</b>

**3. Receivables**

(amounts x € 1)	2020	2019
Dividend receivable	6,415	6,701
Securities transactions still to be settled	22	205
Accrued interest on bonds	45,757	47,077
Other receivables	-	5
<b>Total</b>	<b>52,194</b>	<b>53,988</b>

**4. Summary of changes in the assets under management**

(amounts x € 1)	2020	2019
<b>Opening balance</b>	<b>13,186,573</b>	<b>8,233,435</b>
Issue of shares	4,978,705	4,082,531
Purchase of shares	(3,238,863)	-
Distribution	(179,220)	(158,620)
Interest income	118,238	95,643
Interest expense	(270)	(152)
Dividend income	116,487	99,773
Changes in the value of investments	(98,614)	866,057
Management fee	(40,729)	(29,251)
Exchange rate differences	(1,550)	349
Other expenses	(635)	(3,192)
<b>Closing balance</b>	<b>14,840,122</b>	<b>13,186,573</b>

During the financial closing of the 2020 annual report, an error was identified in the classification of the puttable shares as equity. Based on IAS 32.16A, the puttable shares should have been classified as a liability since the expected cash flows attributable over the life of the instrument and pro-rata claim in the event of the entity's liquidation is different per sub-fund. The error in the financial statements of 2019 resulted in the reclassification of the puttable instruments from equity to liability.

As we consider the error material we applied IAS 8 ('Accounting Policies, Changes in Accounting Estimates and Errors') and adjusted the equity amounts to liability in the comparative financial statements. The error does impact the classification of the results on puttable shares. The error doesn't impact the result or the NAV per share.

**5. Other payables**

(amounts x € 1)	2020	2019
Interest payable	11	-
Management costs payable	3,512	3,143
Dividend tax payable	6,196	5,975
Other short-term debts	-	47
<b>Total</b>	<b>9,719</b>	<b>9,165</b>

**6. Related parties**

A party is an related party if one party can exercise control over the other party or exert significant influence on the other party's financial and operational policy.

VanEck Asset Management B.V. is the Company's director according to the articles of association and acts as Manager of the Company.

The management costs include all costs relating to the management of a fund, such as the management fee, costs of the custodial bank and the payment office, the listing costs, auditor's fee, costs of the purchase and issue of shares, the costs of having the Sub-funds correspond to the relevant index and the administration costs. The management costs are deducted daily from the definitive Net Intrinsic Value of a share in a Sub-fund. The management costs for the period from 1 January 2020 to 31 December 2020 amount to € 40,729 (same period in 2019: € 29,251).



**7. Risks with regard to the financial instruments****Market risk**

In terms of market risk, a distinction can be made between:

- Currency risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in exchange rates;
- Other price risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in market prices caused by factors that apply exclusively for the individual instrument or emitting party, or by factors that affect all instruments traded on the market;
- Interest rate risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in the market interest rate.

The notion of market risk encompasses not only the likelihood of losses, but also the likelihood of gains.

**Currency risk**

The fund has investments denominated in foreign currency and is therefore exposed to significant currency risk.

(amounts x € 1)		2020		2019	
Currency	Amount	% of the NAV	Amount	% of the NAV	
Euro	11,114,960	74.9	9,770,485	74.1	
US dollar	1,948,220	13.1	1,779,892	13.5	
Other currency	1,776,942	12.0	1,636,196	12.4	
<b>Total</b>	<b>14,840,122</b>	<b>100.0</b>	<b>13,186,573</b>	<b>100.0</b>	

A 5% increase in the relevant currency, starting on the statement of financial position date and applicable for every currency, would result in a profit increase for the reporting period as shown in the table below.

(amounts x € 1)		2020		2019	
Currency	Amount	% of the NAV	Amount	% of the NAV	
US dollar	97,411	0.7	88,995	0.7	

A 5% decrease in a currency would have an impact of the same magnitude in the opposite direction.

## VanEck Vectors™ Multi-Asset Conservative Allocation UCITS ETF

**Market risk**

The risk as a result of changes in market prices is limited by diversifying the investments in the portfolio as much as possible by region and sector.

**Portfolio distribution by sector**

(amounts x € 1)		2020		2019	
Sector	Amount	% of the NAV	Amount	% of the NAV	
Government	5,625,382	37.9	4,835,124	36.6	
Financial	3,145,477	21.2	2,724,554	20.7	
Non-cyclical consumer goods	1,957,439	13.2	1,326,744	10.1	
Communications	872,980	5.9	855,002	6.5	
Industrial	872,820	5.9	901,490	6.8	
Cyclical consumer goods	866,246	5.8	802,926	6.1	
Other sectors	1,444,368	9.7	1,686,460	12.8	
<b>Total</b>	<b>14,784,712</b>	<b>99.6</b>	<b>13,132,300</b>	<b>99.6</b>	

A 5% increase in the relevant sector, starting on the statement of financial position date and applicable for every sector, would result in a profit increase for the reporting period as shown in the table below.

(amounts x € 1)		2020		2019	
Sector	Amount	% of the NAV	Amount	% of the NAV	
Government	281,269	1.9	241,756	1.8	
Financial	157,274	1.1	136,228	1.0	
Non-cyclical consumer goods	97,872	0.7	66,337	0.5	
Communications	43,649	0.3	42,750	0.3	
Industrial	43,641	0.3	45,075	0.3	
Cyclical consumer goods	43,312	0.3	40,146	0.3	

A 5% decrease in the sector would have an impact of the same magnitude in the opposite direction.

## VanEck Vectors™ Multi-Asset Conservative Allocation UCITS ETF

## Portfolio distribution by country

(amounts x € 1)				
2020			2019	
Country	Amount	% of the NAV	Amount	% of the NAV
United States	2,729,895	18.3	2,525,494	19.1
Germany	2,471,355	16.7	1,530,881	11.6
France	1,605,683	10.8	1,604,678	12.2
Spain	1,321,025	8.9	817,916	6.2
Netherlands	1,228,328	8.3	1,631,179	12.4
Italy	1,096,193	7.4	1,050,479	8.0
Japan	1,000,959	6.7	933,368	7.1
Belgium	794,211	5.4	623,176	4.7
Other countries	2,537,063	17.1	2,415,129	18.3
<b>Total</b>	<b>14,784,712</b>	<b>99.6</b>	<b>13,132,300</b>	<b>99.6</b>

Country risk relates to uncertainty associates with investing in a certain country, which may be caused by political, economic, or technological influences. A 5% decrease in the relevant country, starting on the statement of financial position date and applicable for every country, would result in losses for the reporting period as shown in the table below.

(amounts x € 1)				
2020			2019	
Country	Amount	% of the NAV	Amount	% of the NAV
United States	136,495	0.9	126,275	1.0
Germany	123,568	0.8	76,544	0.6
France	80,284	0.5	80,234	0.6
Spain	66,051	0.4	40,896	0.3
Netherlands	61,416	0.4	81,559	0.6
Italy	54,810	0.4	52,524	0.4
Japan	50,048	0.3	46,668	0.4
	39,711	0.3	31,159	0.2

## VanEck Vectors™ Multi-Asset Conservative Allocation UCITS ETF

**Interest rate risk**

The company invests in fixed-interest financial instruments and is consequently exposed to interest rate risk.

(amounts x € 1)	<= 1 year	<= 5 years	> 5 years	Not interest bearing	Total 2020
<b>Assets</b>					
Investments	478,537	3,407,365	6,209,401	4,689,409	14,784,712
Cash and cash equivalents	12,935	-	-	-	12,935
Receivables	-	-	-	52,194	52,194
<b>Total assets</b>	<b>491,472</b>	<b>3,407,365</b>	<b>6,209,401</b>	<b>4,741,603</b>	<b>14,849,841</b>
<b>Liabilities</b>					
Other payables	-	-	-	9,719	9,719
<b>Equity</b>					
Shares	-	-	-	14,840,122	14,840,122
<b>Total equity and liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,849,841</b>	<b>14,849,841</b>
<b>Total</b>	<b>491,472</b>	<b>3,407,365</b>	<b>6,209,401</b>	<b>(10,108,238)</b>	<b>-</b>

(amounts x € 1)	<= 1 year	<= 5 years	> 5 years	Not interest bearing	Total 2019
<b>Assets</b>					
Investments	73,503	3,132,236	5,676,124	4,250,437	13,132,300
Cash and cash equivalents	9,450	-	-	-	9,450
Receivables	-	-	-	53,988	53,988
<b>Total assets</b>	<b>82,953</b>	<b>3,132,236</b>	<b>5,676,124</b>	<b>4,304,425</b>	<b>13,195,738</b>
<b>Liabilities</b>					
Other payables	-	-	-	9,165	9,165
<b>Equity</b>					
Shares	-	-	-	13,186,573	13,186,573
<b>Total equity and liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,195,738</b>	<b>13,195,738</b>
<b>Total</b>	<b>82,953</b>	<b>3,132,236</b>	<b>5,676,124</b>	<b>(8,891,313)</b>	<b>-</b>

All other variables remaining the same, a 100-basis point decline in the interest rates effective as of the statement of financial position date would result in a € 634,724 increase in the profit for the reporting period (2019: € 560,519). A 100-basis point rise in the interest rates effective as of the statement of financial position date would result in a € 634,724 decrease in the profit for the reporting period.

(amounts x € 1)	0-1%	1-3%	3-5%	>5%	Total 2020
<b>Assets</b>					
Bonds	4,435,983	5,471,337	187,983	-	10,095,303
<b>Total assets</b>	<b>4,435,983</b>	<b>5,471,337</b>	<b>187,983</b>	<b>-</b>	<b>10,095,303</b>

(amounts x € 1)	0-1%	1-3%	3-5%	>5%	Total 2019
<b>Assets</b>					
Bonds	3,846,703	4,735,883	299,277	-	8,881,863
<b>Total assets</b>	<b>3,846,703</b>	<b>4,735,883</b>	<b>299,277</b>	<b>-</b>	<b>8,881,863</b>

**Credit risk**

Credit risk is the risk that the contract party in a financial instrument will not satisfy its obligation, which means the Sub-fund will have to recognise a financial loss. The amount that best represents the maximum credit risk is € 10,160,432 (2019: € 8,945,301).

The Sub-fund invests in monetary financial instruments and is consequently exposed to significant credit risk. The table below shows the concentrations of credit risk of the investments in bonds.

(amounts x € 1)	2020		2019	
Credit rating	Amount	% of the NAV	Amount	% of the NAV
AAA	1,877,181	12.6	1,535,979	11.6
AA	2,256,803	15.2	2,091,513	15.9
A	2,196,942	14.8	2,151,564	16.3
BBB	3,738,367	25.2	3,102,807	23.5
BB	26,010	0.2	-	-
<b>Total</b>	<b>10,095,303</b>	<b>68.0</b>	<b>8,881,863</b>	<b>67.3</b>

**Liquidity risk**

Liquidity risk, also called funding risk, is the risk that the legal entity will be unable to secure the financial resources needed to satisfy obligations under the financial instruments. Liquidity risk can arise, for instance, if a financial asset cannot be sold at fair value in the short term.

Shares in the Sub-funds can be bought and sold on Euronext Amsterdam, whereby the Liquidity Provider ensures that there is both a bid and ask price at which the share can be traded. The Sub-fund's investments are likewise listed. Consequently the Sub-fund is not exposed to significant liquidity risk.

**8. Cost section****OCF (ongoing charges figure)**

The OCF is a measure of the ongoing costs charged to the Sub-fund during the reporting period. The following starting points are important for calculating the ongoing charges:

- The OCF shows the ratio of ongoing costs to average intrinsic value. The ongoing charges encompass all costs charged to the fund assets during the reporting period, with the exception of the spread applied for the entry and exit of shareholders, any performance fees and transaction costs of investments and interest charges on bank accounts. Performance fees must be presented separately, if applicable. No performance fee applies for the VanEck UCITS ETFs.
- The average intrinsic value is based on the intrinsic values on every day that the intrinsic value of the Sub-fund is determined during the reporting period.

(amounts x € 1.000)	2020	2019
<b>Average intrinsic value</b>	<b>14,561,005</b>	<b>10,434,541</b>
Total costs within the Sub fund	40,729	29,251
<b>OCF</b>	<b>0.28%</b>	<b>0.28%</b>

**Comparison of costs to prospectus over 2020 financial year**

(amounts x € 1)	Amount	%	Prospectus
Total costs within the Sub fund	40,729	0.28%	0.28%
<b>Total</b>	<b>40,729</b>	<b>0.28%</b>	<b>0.28%</b>

The percentage is calculated with respect to the average assets as used for the OCF.

**Portfolio Turnover ratio**

The Portfolio Turnover ratio (PTR) gives an indication of the turnover rate of the Sub-fund's portfolio. This indicator gives an impression of the relative transaction costs involved in the differences in portfolio management.

The PTR is calculated as follows:

$$[(\text{Total 1} - \text{Total 2}) / X] * 100$$

Total 1: the total amount in securities transactions (securities purchases + securities sales)

Total 2: the total amount in transactions (issue + purchases) of participation rights in the investment institution

X: the average intrinsic value of the investment institution.

An PTR of 18.2% is calculated using this formula (2019: 33.0%). This means that in 2020, purchases and sales took place in the amount of 0.2 times the average intrinsic value of the Sub-fund. This amount has been corrected for the regular purchases and sales performed on account of entries and exits.

# VanEck Vectors™ ETFs N.V.

Annual Report 2020

Serie D

VanEck Vectors™ Multi-Asset Balanced Allocation UCITS ETF

# VanEck®

Access the opportunities.



## VanEck Vectors™ Multi-Asset Balanced Allocation UCITS ETF

## General Information

## Investment policy

The aim of the VanEck Vectors™ Multi-Asset Balanced Allocation UCITS ETF is to follow the Indices below as closely as possible, in the ratios indicated here:

- 25% Markit iBoxx EUR Liquid Sovereign Diversified 1-10 Index
- 25% Markit iBoxx EUR Liquid Corporates Index
- 40% Solactive Global Equity Index
- 10% GPR Global 100 Index

The allocation across the Indices is reweighted annually on the first Tuesday in September, so that the allocation is brought back in line with the original ratios. The costs incurred in connection with the reweighting of the VanEck Vectors™ Multi-Asset Balanced Allocation UCITS ETF are at the expense of this Sub-fund.

## Key figures Series D: VanEck Vectors™ Multi-Asset Balanced Allocation UCITS ETF

(amounts x € 1)	2020	2019	2018	2017	2016
<i>Summary per share<sup>4</sup></i>					
Changes in the value of investments	(0.86)	7.29	(2.88)	0.04	2.46
Direct returns	1.19	1.36	1.45	1.55	1.40
<b>Total operating income</b>	<b>0.33</b>	<b>8.65</b>	<b>(1.43)</b>	<b>1.59</b>	<b>3.86</b>
Management costs and interest charges	(0.18)	(0.19)	(0.18)	(0.06)	(0.06)
Other expenses	(0.01)	(0.01)	(0.02)	(0.00)	(0.00)
<b>Total operating expenses</b>	<b>(0.19)</b>	<b>(0.20)</b>	<b>(0.20)</b>	<b>(0.06)</b>	<b>(0.06)</b>
Distribution	1.00	1.18	1.05	1.43	1.35
Fund assets	23,783,053	23,249,132	16,357,155	16,046,579	9,471,563
Number of outstanding shares	373,000	361,000	288,000	270,000	160,000
Intrinsic value per share*	63.76	64.40	56.80	59.43	59.20
Fund performance	0.66%	15.54%	(2.71%)	2.83%	4.94%
Benchmark performance	1.25%	16.29%	(2.34%)	3.30%	5.36%

\* Compared to last year the intrinsic value per share increased despite of a negative operational result. This is related to the subscriptions and redemptions during the stock market dip of March 2020 due to Covid-19.

<sup>4</sup> The summary per share is calculated by dividing the result by average number of shares.

## 4.9 Financial statements VanEck Vectors™ Multi-Asset Balanced Allocation UCITS ETF

### 4.9.1. Statement of financial position

(amounts x € 1)		2020	2019 (Restated)
<b>ASSETS</b>			
Cash and cash equivalents	{1}	32,463	19,783
<u>Investments</u>			
Equity instruments		10,231,752	9,788,781
Debt instruments		11,367,856	10,975,828
Indirect real estate		2,091,592	2,392,362
<b>Investments</b>	{2}	<b>23,691,200</b>	<b>23,156,971</b>
Receivables	{3}	80,104	88,753
<b>Total assets</b>		<b>23,803,767</b>	<b>23,265,507</b>
<b>LIABILITIES</b>			
Other payables	{5}	20,714	16,375
<b>Net assets attributable to shareholders</b>	{4}	<b>23,783,053</b>	<b>23,249,132</b>
<b>Total liabilities</b>		<b>23,803,767</b>	<b>23,265,507</b>

The numbers next to the items refer to the notes to the statement of financial position and statement of profit and loss and other comprehensive income. The notes form an integral part of the financial statements.

**4.9.2. Statement of profit and loss and other comprehensive income**

(amounts x € 1)	2020	2019 (Restated)
<b>Investment result</b>		
Changes in the value of investments	(332,165)	2,362,003
Interest income	145,405	124,110
Interest expense	(382)	(381)
Dividend income	316,514	317,939
Foreign exchange differences	(4,359)	442
<b>Total investment result</b>	<b>125,013</b>	<b>2,804,113</b>
Management costs {8}	(70,743)	(60,315)
Transaction costs	(2,045)	(3,264)
<b>Total expenses</b>	<b>(72,788)</b>	<b>(63,579)</b>
<b>Distribution</b>	<b>(390,400)</b>	<b>(384,270)</b>
<b>Increase/decrease in the net assets attributable to shareholders</b>	<b>(338,175)</b>	<b>2,356,264</b>

The numbers next to the items refer to the notes to the statement of financial position and statement of profit and loss and other comprehensive income. The notes form an integral part of the financial statements.

**4.9.3. Statement of cash flows**

(amounts x € 1)	2020	2019
Purchases of investments	(5,519,274)	(7,671,049)
Sales of investments	4,652,861	3,155,188
Interest received	150,189	126,870
Interest paid	(339)	(16,448)
Dividends received	319,856	309,963
Management costs paid	(70,568)	(58,607)
Other expenses paid	(1,400)	(511)
<b>Cash flow from operating activities</b>	<b>(468,675)</b>	<b>(4,154,594)</b>
Issue of shares	2,114,152	5,161,381
Repurchase of shares	(1,242,056)	(625,668)
Distribution	(386,382)	(384,270)
<b>Net cash flow from financing activities</b>	<b>485,714</b>	<b>4,151,443</b>
Foreign exchange differences	(4,359)	442
<b>Net cash flow</b>	<b>12,680</b>	<b>(2,709)</b>
Cash and cash equivalents at beginning of the period	19,783	22,492
<b>Cash and cash equivalents at end of the period</b>	<b>32,463</b>	<b>19,783</b>

The notes form an integral part of the financial statements.

**4.9.4. Statement of changes in net assets attributable to shareholders**

(amounts x € 1)	2020	2019
<b>Net assets attributable to redeemable participating shareholders at the beginning of the financial year</b>	<b>23,249,132</b>	<b>16,357,155</b>
Proceeds from the issuance of redeemable participating shares	2,114,152	5,161,381
Payments for the redemption of redeemable participating shares	(1,242,056)	(625,668)
Increase/decrease in the net assets attributable to shareholders	(338,175)	2,356,264
<b>Net assets attributable to redeemable participating shareholders at the end of the financial year</b>	<b>23,783,053</b>	<b>23,249,132</b>
<b>Number of redeemable participating shares</b>		
Redeemable participating shares at the beginning of the financial year	361,000	288,000
Issuance of redeemable participating shares	32,000	83,000
Repurchase of redeemable participating shares	(20,000)	(10,000)
<b>Redeemable participating shares at the end of the financial year</b>	<b>373,000</b>	<b>361,000</b>

**4.9.5. Notes****Accounting policies**

For the accounting policies used for the financial statements, refer to the Company's accounting policies as set out in chapter 4.5.

**Correction of error**

During the financial closing of the 2020 annual report, an error was identified in the classification of the puttable shares as equity. Based on IAS 32.16A, the puttable shares should have been classified as a liability since the expected cash flows attributable over the life of the instrument and the pro-rata claim in the event of the fund's liquidation is different per sub-fund.

Carrying amount (amounts x € 1)	Original 2019	Restated 2019
<b>Statement of financial position as of 31 December</b>		
Equity	23,249,132	-
Net assets attributable to shareholders	-	23,249,132
<b>Total</b>	<b>23,249,132</b>	<b>23,249,132</b>
<b>Statement of profit and loss and other comprehensive income</b>		
Distribution	-	(384,270)
Total Result	2,356,264	-
Increase in the net assets attributable to shareholders	-	2,740,534
<b>Total</b>	<b>2,356,264</b>	<b>2,356,264</b>

As we consider the error material we applied IAS 8 ('Accounting Policies, Changes in Accounting Estimates and Errors') and adjusted the comparative financial figures for the above accounts in the 2019 financial statements. The error does impact the classification of the results puttable shares and impact the result. The error doesn't impact the result or the NAV per share.

For previous years the same classification would apply and it would not impact the Net Asset Value for these years.

## VanEck Vectors™ Multi-Asset Balanced Allocation UCITS ETF

## Notes to the statement of financial position and statement of profit and loss and other comprehensive income

## 1. Cash and cash equivalents

At 31 December 2020 there are no restrictions on the use of the cash and cash equivalents.

The Foreign exchange rates as of 31 December 2020 are as follows:

Foreign currency	31 December 2020	Average of 2020	31 December 2019	Average of 2019
AUD	1.5856	1.6534	1.5969	1.6102
CAD	1.5588	1.5290	1.4556	1.4850
CHF	1.0816	1.0702	1.0870	1.1121
DKK	7.4435	7.4542	7.4725	7.4661
GBP	0.8951	0.8889	0.8474	0.8769
HKD	9.4873	8.8418	8.7463	8.7695
JPY	126.3255	121.7419	121.9877	121.9755
KRW	1,329.1424	1,344.7234	1,298.1152	1,304.7109
NOK	10.4760	10.7101	9.8638	9.8474
SEK	10.0485	10.4809	10.5078	10.5852
SGD	1.6171	1.5728	1.5094	1.5269
USD	1.2236	1.1400	1.1225	1.1192
ZAR	17.9725	18.6709	15.6965	16.1600

## VanEck Vectors™ Multi-Asset Balanced Allocation UCITS ETF

## 2. Investments

## Summary of changes in the investments according to characteristic of financial instrument

(amounts x € 1)	2020	2019
<b>Equity instruments</b>		
Opening balance	9,788,781	6,087,381
Purchases of investments	2,429,175	3,453,944
Sales of investments	(1,930,670)	(1,409,211)
Changes in value	(55,534)	1,656,667
<b>Closing balance equity instruments</b>	<b>10,231,752</b>	<b>9,788,781</b>
<b>Debt instruments</b>		
Opening balance	10,975,828	8,500,177
Purchases of investments	2,741,808	3,305,259
Sales of investments	(2,560,708)	(1,205,621)
Changes in value	210,928	376,013
<b>Closing balance debt instruments</b>	<b>11,367,856</b>	<b>10,975,828</b>
<b>Indirect real estate</b>		
Opening balance	2,392,362	1,691,549
Purchases of investments	348,291	911,846
Sales of investments	(161,502)	(540,356)
Changes in value	(487,559)	329,323
<b>Closing balance indirect real estate</b>	<b>2,091,592</b>	<b>2,392,362</b>
<b>Total investments</b>		
Opening balance	23,156,971	16,279,107
Purchases of investments	5,519,274	7,671,049
Sales of investments	(4,652,880)	(3,155,188)
Changes in value	(332,165)	2,362,003
<b>Closing balance total investments</b>	<b>23,691,200</b>	<b>23,156,971</b>

The table below provides an analysis of the financial instruments measured at fair value, per valuation method.

## Composition of investments according to valuation technique

(amounts x € 1)	2020	2019
Level 1	23,691,200	23,156,971
<b>Total</b>	<b>23,691,200</b>	<b>23,156,971</b>

All the investments of the Sub-fund are listed and therefore classified as level 1 investments.

## VanEck Vectors™ Multi-Asset Balanced Allocation UCITS ETF

## Composition of investments according to valuation technique

(amounts x € 1)		2020	
	Currency	Market value	% of NAV
<b>Equity instruments</b>			
Tesla Inc	USD	171,867	0.7
Keyence Corp	JPY	74,378	0.3
Fast Retailing Co Ltd	JPY	73,199	0.3
PayPal Holdings Inc	USD	72,735	0.3
Infineon Technologies AG	EUR	72,510	0.3
Daimler AG	EUR	70,503	0.3
QUALCOMM Inc	USD	64,867	0.3
Amazon.com Inc	USD	63,885	0.3
Nidec Corp	JPY	61,649	0.3
Deutsche Post AG	EUR	61,276	0.3
Other		9,444,883	39.6
<b>Total equity instruments</b>		<b>10,231,752</b>	<b>43.0</b>
<b>Debt instruments</b>			
FRANCE (GOVT OF) 0% 25/11/2029	EUR	605,866	2.5
SIEMENS FINANCIERINGSMAT 1.375% 6/9/2030	EUR	381,562	1.6
BONOS Y OBLIG DEL ESTADO 1.25% 31/10/2030	EUR	333,316	1.4
NESTLE FINANCE INTL LTD 1.75% 2/11/2037	EUR	331,379	1.4
BUNDESREPUB. DEUTSCHLAND 0.5% 15/8/2027	EUR	329,095	1.4
NETHERLANDS GOVERNMENT 0.75% 15/7/2027	EUR	299,496	1.3
RABOBANK NEDERLAND 1.375% 3/2/2027	EUR	278,370	1.2
FRANCE (GOVT OF) 1% 25/5/2027	EUR	250,461	1.1
BUONI POLIENALI DEL TES 3% 1/8/2029	EUR	234,447	1.0
OMV AG 1% 14/12/2026	EUR	218,602	0.9
Other		8,105,262	34.0
<b>Total debt instruments</b>		<b>11,367,856</b>	<b>47.8</b>
<b>Indirect real estate</b>			
Prologis Inc	USD	193,691	0.8
Vonovia SE	EUR	125,734	0.5
Digital Realty Trust Inc	USD	75,026	0.3
Public Storage	USD	73,985	0.3
Welltower Inc	USD	57,039	0.2
Simon Property Group Inc	USD	55,341	0.2
Realty Income Corp	USD	46,543	0.2
AvalonBay Communities Inc	USD	44,056	0.2
Mitsubishi Estate Co Ltd	JPY	41,843	0.2
Equity Residential	USD	41,230	0.2
Other		1,337,104	5.7
<b>Total indirect real estate</b>		<b>2,091,592</b>	<b>8.8</b>
<b>Total investments</b>		<b>23,691,200</b>	<b>99.6</b>



**3. Receivables**

(amounts x € 1)	2020	2019
Dividend receivable	17,912	21,254
Dividend tax receivable	4,216	4,758
Securities transactions still to be settled	59	-
Accrued interest on bonds	57,917	62,701
Other receivables	-	40
<b>Total</b>	<b>80,104</b>	<b>88,753</b>

**4. Summary of changes in the assets under management**

(amounts x € 1)	2020	2019
<b>Opening balance</b>	<b>23,249,132</b>	<b>16,357,155</b>
Issue of shares	2,114,152	5,161,381
Purchase of shares	(1,242,056)	(625,668)
Distribution	(390,400)	(384,270)
Interest income	145,405	124,110
Interest expense	(382)	(381)
Dividend income	316,514	317,939
Changes in the value of investments	(332,165)	2,362,003
Management fee	(70,743)	(60,315)
Exchange rate differences	(4,359)	442
Other expenses	(2,045)	(3,264)
<b>Closing balance</b>	<b>23,783,053</b>	<b>23,249,132</b>

During the financial closing of the 2020 annual report, an error was identified in the classification of the puttable shares as equity. Based on IAS 32.16A, the puttable shares should have been classified as a liability since the expected cash flows attributable over the life of the instrument and pro-rata claim in the event of the entity's liquidation is different per sub-fund. The error in the financial statements of 2019 resulted in the reclassification of the puttable instruments from equity to liability.

As we consider the error material we applied IAS 8 ('Accounting Policies, Changes in Accounting Estimates and Errors') and adjusted the equity amounts to liability in the comparative financial statements. The error does impact the classification of the results on puttable shares. The error doesn't impact the result or the NAV per share.

**5. Other payables**

(amounts x € 1)	2020	2019
Interest payable	43	-
Management costs payable	6,104	5,929
Dividend tax payable	13,887	10,411
Other short-term debts	680	35
<b>Total</b>	<b>20,714</b>	<b>16,375</b>

## VanEck Vectors™ Multi-Asset Balanced Allocation UCITS ETF

**6. Related parties**

A party is an related party if one party can exercise control over the other party or exert significant influence on the other party's financial and operational policy.

VanEck Asset Management B.V. is the Company's director according to the articles of association and acts as Manager of the Company.

The management costs include all costs relating to the management of a fund, such as the management fee, costs of the custodial bank and the payment office, the listing costs, auditor's fee, costs of the purchase and issue of shares, the costs of having the Sub-funds correspond to the relevant index and the administration costs. The management costs are deducted daily from the definitive Net Intrinsic Value of a share in a Sub-fund. The management costs for the period from 1 January 2020 to 31 December 2020 amount to € 70,743 (same period in 2019: € 60,315).

**7. Risks with regard to the financial instruments****Market risk**

In terms of market risk, a distinction can be made between:

- Currency risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in exchange rates;
- Other price risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in market prices caused by factors that apply exclusively for the individual instrument or emitting party, or by factors that affect all instruments traded on the market;
- Interest rate risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in the market interest rate.

The notion of market risk encompasses not only the likelihood of losses, but also the likelihood of gains.

**Currency risk**

The fund has investments denominated in foreign currency and is therefore exposed to significant currency risk.

(amounts x € 1)				
2020			2019	
Currency	Amount	% of the NAV	Amount	% of the NAV
Euro	14,018,969	59.0	13,393,627	57.6
US dollar	5,167,450	21.7	5,173,913	22.3
Japanese yen	1,794,468	7.5	1,938,570	8.3
Other currencies	2,802,166	11.8	2,743,022	11.8
<b>Total</b>	<b>23,783,053</b>	<b>100.0</b>	<b>23,249,132</b>	<b>100.0</b>

A 5% increase in the relevant currency, starting on the statement of financial position date and applicable for every currency, would result in a profit increase for the reporting period as shown in the table below.

(amounts x € 1)				
2020			2019	
Currency	Amount	% of the NAV	Amount	% of the NAV
US dollar	258,373	1.1	258,696	1.1
Japanese yen	89,723	0.4	96,929	0.4

A 5% decrease in a currency would have an impact of the same magnitude in the opposite direction.

## VanEck Vectors™ Multi-Asset Balanced Allocation UCITS ETF

**Market risk**

The risk as a result of changes in market prices is limited by diversifying the investments in the portfolio as much as possible by region and sector.

**Portfolio distribution by sector**

(amounts x € 1)				
2020			2019	
Sector	Amount	% of the NAV	Amount	% of the NAV
Government	6,251,305	26.4	5,426,922	23.4
Financial	5,537,945	23.3	6,553,962	28.2
Non-cyclical consumer goods	3,789,970	15.9	2,963,199	12.7
Industrial	1,838,379	7.7	1,651,448	7.1
Cyclical consumer goods	1,719,963	7.2	1,817,535	7.8
Communications	1,362,482	5.7	1,551,967	6.7
Other sectors	3,191,156	13.4	3,191,938	13.7
<b>Total</b>	<b>23,691,200</b>	<b>99.6</b>	<b>23,156,971</b>	<b>99.6</b>

A 5% increase in the relevant sector, starting on the statement of financial position date and applicable for every sector, would result in a profit increase for the reporting period as shown in the table below.

(amounts x € 1)				
2020			2019	
Sector	Amount	% of the NAV	Amount	% of the NAV
Government	312,565	1.3	271,346	1.2
Financial	276,897	1.2	327,698	1.4
Non-cyclical consumer goods	189,499	0.8	148,160	0.6
Industrial	91,919	0.4	82,572	0.4
Cyclical consumer goods	85,998	0.4	90,877	0.4
Communications	68,124	0.3	77,598	0.3

A 5% decrease in the sector would have an impact of the same magnitude in the opposite direction.

**Portfolio distribution by country**

(amounts x € 1)				
2020			2019	
Country	Amount	% of the NAV	Amount	% of the NAV
United States	6,049,110	25.4	6,640,133	28.6
France	2,925,590	12.3	2,275,012	9.8
Germany	2,624,680	11.0	2,190,000	9.4
Netherlands	2,093,863	8.8	1,890,907	8.1
Japan	2,058,191	8.7	2,194,725	9.4
Italy	1,448,696	6.1	1,274,410	5.5
Other countries	6,491,070	27.3	6,691,784	28.8
<b>Total</b>	<b>23,691,200</b>	<b>99.6</b>	<b>23,156,971</b>	<b>99.6</b>

## VanEck Vectors™ Multi-Asset Balanced Allocation UCITS ETF

Country risk relates to uncertainty associates with investing in a certain country, which may be caused by political, economic, or technological influences. A 5% decrease in the relevant country, starting on the statement of financial position date and applicable for every country, would result in losses for the reporting period as shown in the table below.

(amounts x € 1)		2020		2019	
Country	Amount	% of the NAV	Amount	% of the NAV	
United States	302,456	1.3	332,007	1.4	
France	146,280	0.6	113,751	0.5	
Germany	131,234	0.6	109,500	0.5	
Netherlands	104,693	0.4	94,545	0.4	
Japan	102,910	0.4	109,736	0.5	
Italy	72,435	0.3	63,721	0.3	

## Interest rate risk

The company invests in fixed-interest financial instruments and is consequently exposed to interest rate risk.

(amounts x € 1)	<= 1 year	<= 5 years	> 5 years	Not interest bearing	Total 2020
<b>Assets</b>					
Investments	519,393	4,509,264	6,339,199	12,323,344	23,691,200
Cash and cash equivalents	32,463	-	-	-	32,463
Receivables	-	-	-	80,104	80,104
Total assets	551,856	4,509,264	6,339,199	12,403,448	23,803,767
<b>Liabilities</b>					
Other payables	-	-	-	20,714	20,714
<b>Equity</b>					
Shares	-	-	-	23,783,053	23,783,053
Total equity and liabilities	-	-	-	23,803,767	23,803,767
<b>Total</b>	<b>551,856</b>	<b>4,509,264</b>	<b>6,339,199</b>	<b>(11,400,319)</b>	<b>-</b>

## VanEck Vectors™ Multi-Asset Balanced Allocation UCITS ETF

(amounts x € 1)	<= 1 year	<= 5 years	> 5 years	Not interest bearing	Total 2019
<b>Assets</b>					
Investments	167,987	4,080,578	6,727,263	12,181,143	23,156,971
Cash and cash equivalents	19,783	-	-	-	19,783
Receivables	-	-	-	88,753	88,753
<b>Total assets</b>	<b>187,770</b>	<b>4,080,578</b>	<b>6,727,263</b>	<b>12,269,896</b>	<b>23,265,507</b>
<b>Liabilities</b>					
Other payables	-	-	-	16,375	16,375
<b>Equity</b>					
Shares	-	-	-	23,249,132	23,249,132
<b>Total equity and liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,265,507</b>	<b>23,265,507</b>
<b>Total</b>	<b>187,770</b>	<b>4,080,578</b>	<b>6,727,263</b>	<b>(10,995,611)</b>	<b>-</b>

All other variables remaining the same, a 100-basis point decline in the interest rates effective as of the statement of financial position date would result in a € 714,733 increase in the profit for the reporting period (2019: € 678,793). A 100-basis point rise in the interest rates effective as of the statement of financial position date would result in a € 714,733 decrease in the profit for the reporting period.

(amounts x € 1)	0-1%	1-3%	3-5%	>5%	Total 2020
<b>Assets</b>					
Bonds	5,444,713	5,664,633	258,510	-	11,367,856
<b>Total assets</b>	<b>5,444,713</b>	<b>5,664,633</b>	<b>258,510</b>	<b>-</b>	<b>11,367,856</b>

(amounts x € 1)	0-1%	1-3%	3-5%	>5%	Total 2019
<b>Assets</b>					
Bonds	4,414,777	6,294,654	266,397	-	10,975,828
<b>Total assets</b>	<b>4,414,777</b>	<b>6,294,654</b>	<b>266,397</b>	<b>-</b>	<b>10,975,828</b>

## VanEck Vectors™ Multi-Asset Balanced Allocation UCITS ETF

**Credit risk**

Credit risk is the risk that the contract party in a financial instrument will not satisfy its obligation, which means the Sub-fund will have to recognise a financial loss. The amount that best represents the maximum credit risk is € 11,480,423 (2019: € 11,084,364).

The Sub-fund invests in monetary financial instruments and is consequently exposed to significant credit risk. The table below shows the concentrations of credit risk of the investments in bonds.

(amounts x € 1)		2020		2019	
Credit rating	Amount	% of the NAV	Amount	% of the NAV	
AAA	1,694,062	7.1	1,471,618	6.3	
AA	3,280,530	13.8	2,726,443	11.7	
A	2,375,708	10.0	3,080,913	13.3	
BBB	3,878,497	16.3	3,661,537	15.7	
BB	104,040	0.4	35,317	0.2	
B	35,019	0.1	-	-	
<b>Total</b>	<b>11,367,856</b>	<b>47.7</b>	<b>10,975,828</b>	<b>47.2</b>	

**Liquidity risk**

Liquidity risk, also called funding risk, is the risk that the legal entity will be unable to secure the financial resources needed to satisfy obligations under the financial instruments. Liquidity risk can arise, for instance, if a financial asset cannot be sold at fair value in the short term.

Shares in the Sub-funds can be bought and sold on Euronext Amsterdam, whereby the Liquidity Provider ensures that there is both a bid and ask price at which the share can be traded. The Sub-fund's investments are likewise listed. Consequently the Sub-fund is not exposed to significant liquidity risk.

## VanEck Vectors™ Multi-Asset Balanced Allocation UCITS ETF

**8. Cost section****OCF (ongoing charges figure)**

The OCF is a measure of the ongoing costs charged to the Sub-fund during the reporting period. The following starting points are important for calculating the ongoing charges:

- The OCF shows the ratio of ongoing costs to average intrinsic value. The ongoing charges encompass all costs charged to the fund assets during the reporting period, with the exception of the spread applied for the entry and exit of shareholders, any performance fees and transaction costs of investments and interest charges on bank accounts. Performance fees must be presented separately, if applicable. No performance fee applies for the VanEck UCITS ETFs.
- The average intrinsic value is based on the intrinsic values on every day that the intrinsic value of the Sub-fund is determined during the reporting period.

(amounts x € 1.000)	2020	2019
<b>Average intrinsic value</b>	<b>23,591,206</b>	<b>20,081,991</b>
Total costs within the Sub fund	70,743	60,315
<b>OCF</b>	<b>0.30%</b>	<b>0.30%</b>

**Comparison of costs to prospectus over 2020 financial year**

(amounts x € 1)	Amount	%	Prospectus
Total costs within the Sub fund	70,743	0.30%	0.30%
<b>Total</b>	<b>70,743</b>	<b>0.31%</b>	<b>0.30%</b>

The percentage is calculated with respect to the average assets as used for the OCF.

**Portfolio Turnover ratio**

The Portfolio Turnover ratio (PTR) gives an indication of the turnover rate of the Sub-fund's portfolio. This indicator gives an impression of the relative transaction costs involved in the differences in portfolio management.

The PTR is calculated as follows:

$$[(\text{Total 1} - \text{Total 2}) / X] * 100$$

Total 1: the total amount in securities transactions (securities purchases + securities sales)

Total 2: the total amount in transactions (issue + purchases) of participation rights in the investment institution

X: the average intrinsic value of the investment institution.

An PTR of 29.0% is calculated using this formula (2019: 25.2%). This means that in 2020, purchases and sales took place in the amount of 0.3 times the average intrinsic value of the Sub-fund. This amount has been corrected for the regular purchases and sales performed on account of entries and exits.

# VanEck Vectors™ ETFs N.V.

Annual Report 2020

Serie E

VanEck Vectors™ Multi-Asset Growth Allocation UCITS ETF

# VanEck®

Access the opportunities.



## VanEck Vectors™ Multi-Asset Growth Allocation UCITS ETF

## General Information

## Investment policy

The aim of the VanEck Vectors™ Multi-Asset Growth Allocation UCITS ETF is to follow the Indices below as closely as possible, in the ratios indicated here:

- 15% Markit iBoxx EUR Liquid Sovereign Diversified 1-10 Index
- 15% Markit iBoxx EUR Liquid Corporates Index
- 60% Solactive Global Equity Index
- 10% GPR Global 100 Index

The allocation across the Indices is reweighted annually on the first Tuesday in September, so that the allocation is brought back in line with the original ratios. The costs incurred in connection with the reweighting of the VanEck Vectors™ Multi-Asset Growth Allocation UCITS ETF are at the expense of this Sub-fund.

## Key figures Series E: VanEck Vectors™ Multi-Asset Growth Allocation UCITS ETF

(amounts x € 1)	2020	2019	2018	2017	2016
<i>Summary per share<sup>5</sup></i>					
Changes in the value of investments	(0.50)	10.03	(4.19)	0.88	3.30
Direct returns	1.36	1.66	1.67	1.55	1.42
<b>Total operating income</b>	<b>0.86</b>	<b>11.69</b>	<b>(2.52)</b>	<b>2.43</b>	<b>4.72</b>
Management costs and interest charges	(0.20)	(0.21)	(0.20)	(0.06)	(0.06)
Other expenses	(0.00)	(0.02)	(0.02)	(0.00)	(0.00)
<b>Total operating expenses</b>	<b>(0.20)</b>	<b>(0.23)</b>	<b>(0.22)</b>	<b>(0.06)</b>	<b>(0.06)</b>
Distribution	1.28	1.42	1.47	1.47	1.29
Fund assets	15,461,440	14,309,772	11,017,282	11,161,083	7,324,022
Number of outstanding shares	230,000	210,000	190,000	180,000	120,000
Intrinsic value per share	67.22	68.14	57.99	62.01	61.03
Fund performance	0.70%	20.08%	(4.21%)	4.02%	5.91%
Benchmark performance	1.21%	20.77%	(3.70%)	4.54%	6.41%

<sup>5</sup> The summary per share is calculated by dividing the result by average number of shares.

## 4.10 Financial statements VanEck Vectors™ Multi-Asset Growth Allocation UCITS ETF

### 4.10.1. Statement of financial position

(amounts x € 1)		2020	2019 (Restated)
<b>ASSETS</b>			
Cash and cash equivalents	{1}	17,304	14,224
<u>Investments</u>			
Equity instruments		9,665,900	8,782,410
Debt instruments		4,380,480	3,957,831
Indirect real estate		1,371,575	1,524,317
<b>Investments</b>	{2}	<b>15,417,955</b>	<b>14,264,558</b>
Receivables	{3}	38,077	40,933
<b>Total assets</b>		<b>15,473,336</b>	<b>14,319,715</b>
<b>LIABILITIES</b>			
Other payables	{5}	11,896	9,943
<b>Net assets attributable to shareholders</b>	{4}	<b>15,461,440</b>	<b>14,309,772</b>
<b>Total liabilities</b>		<b>15,473,336</b>	<b>14,319,715</b>

The numbers next to the items refer to the notes to the statement of financial position and statement of profit and loss and other comprehensive income. The notes form an integral part of the financial statements.

**4.10.2. Statement of profit and loss and other comprehensive income**

(amounts x € 1)	2020	2019 (Restated)
<b>Investment result</b>		
Changes in the value of investments	(113,779)	1,976,294
Interest income	45,301	41,284
Interest expense	(328)	(206)
Dividend income	262,476	286,180
Foreign exchange differences	(3,790)	1,074
<b>Total investment result</b>	<b>189,880</b>	<b>2,304,626</b>
Management costs {8}	(45,792)	(40,740)
Transaction costs	(1,042)	(3,223)
<b>Total expenses</b>	<b>(46,834)</b>	<b>(43,963)</b>
<b>Distribution</b>	<b>(292,600)</b>	<b>(284,800)</b>
<b>Increase/decrease in the net assets attributable to shareholders</b>	<b>(149,554)</b>	<b>1,975,863</b>

The numbers next to the items refer to the notes to the statement of financial position and statement of profit and loss and other comprehensive income. The notes form an integral part of the financial statements.

**4.10.3. Statement of cash flows**

(amounts x € 1)	2020	2019
Purchases of investments	(3,699,167)	(3,064,234)
Sales of investments	2,431,995	1,751,185
Interest received	45,597	41,376
Interest paid	(311)	(1,722)
Dividends received	264,042	283,285
Management costs paid	(45,515)	(39,900)
Other expenses paid	(1,099)	(3,168)
<b>Cash flow from operating activities</b>	<b>(1,004,458)</b>	<b>(1,033,178)</b>
Issue of shares	1,301,222	1,316,627
Distribution	(289,894)	(286,697)
<b>Net cash flow from financing activities</b>	<b>1,011,328</b>	<b>1,029,930</b>
Foreign exchange differences	(3,790)	1,074
<b>Net cash flow</b>	<b>3,080</b>	<b>(2,174)</b>
Cash and cash equivalents at beginning of the period	14,224	16,398
<b>Cash and cash equivalents at end of the period</b>	<b>17,304</b>	<b>14,224</b>

The notes form an integral part of the financial statements.

**4.10.4. Statement of changes in net assets attributable to shareholders**

(amounts x € 1)	2020	2019
<b>Net assets attributable to redeemable participating shareholders at the beginning of the financial year</b>	<b>14,309,772</b>	<b>11,017,282</b>
Proceeds from the issuance of redeemable participating shares	1,301,222	1,316,627
Increase/decrease in the net assets attributable to shareholders	(149,554)	1,975,863
<b>Net assets attributable to redeemable participating shareholders at the end of the financial year</b>	<b>15,461,440</b>	<b>14,309,772</b>
<b>Number of redeemable participating shares</b>		
Redeemable participating shares at the beginning of the financial year	210,000	190,000
Issuance of redeemable participating shares	20,000	20,000
<b>Redeemable participating shares at the end of the financial year</b>	<b>230,000</b>	<b>210,000</b>

**4.10.5. Notes****Accounting policies**

For the accounting policies used for the financial statements, refer to the Company's accounting policies as set out in chapter 4.5.

**Correction of error**

During the financial closing of the 2020 annual report, an error was identified in the classification of the puttable shares as equity. Based on IAS 32.16A, the puttable shares should have been classified as a liability since the expected cash flows attributable over the life of the instrument and the pro-rata claim in the event of the fund's liquidation is different per sub-fund.

Carrying amount (amounts x € 1)	Original 2019	Restated 2019
<b>Statement of financial position as of 31 December</b>		
Equity	14,309,772	-
Net assets attributable to shareholders	-	14,309,772
<b>Total</b>	<b>14,309,772</b>	<b>14,309,772</b>
<b>Statement of profit and loss and other comprehensive income</b>		
Distribution	-	(284,800)
Total Result	1,975,863	-
Increase in the net assets attributable to shareholders	-	2,260,663
<b>Total</b>	<b>1,975,863</b>	<b>1,975,863</b>

As we consider the error material we applied IAS 8 ('Accounting Policies, Changes in Accounting Estimates and Errors') and adjusted the comparative financial figures for the above accounts in the 2019 financial statements. The error does impact the classification of the results puttable shares and impact the result. The error doesn't impact the result or the NAV per share.

For previous years the same classification would apply and it would not impact the Net Asset Value for these years.

## VanEck Vectors™ Multi-Asset Growth Allocation UCITS ETF

## Notes to the statement of financial position and statement of profit and loss and other comprehensive income

## 1. Cash and cash equivalents

At 31 December 2020 there are no restrictions on the use of the cash and cash equivalents.

The Foreign exchange rates as of 31 December 2020 are as follows:

Foreign currency	31 December 2020	Average of 2020	31 December 2019	Average of 2019
AUD	1.5856	1.6534	1.5969	1.6102
CAD	1.5588	1.5290	1.4556	1.4850
CHF	1.0816	1.0702	1.0870	1.1121
DKK	7.4435	7.4542	7.4725	7.4661
GBP	0.8951	0.8889	0.8474	0.8769
HKD	9.4873	8.8418	8.7463	8.7695
JPY	126.3255	121.7419	121.9877	121.9755
KRW	1,329.1424	1,344.7234	1,298.1152	1,304.7109
NOK	10.4760	10.7101	9.8638	9.8474
SEK	10.0485	10.4809	10.5078	10.5852
SGD	1.6171	1.5728	1.5094	1.5269
USD	1.2236	1.1400	1.1225	1.1192
ZAR	17.9725	18.6709	15.6965	16.1600

## 2. Investments

### Summary of changes in the investments according to characteristic of financial instrument

(amounts x € 1)	2020	2019
<b>Equity instruments</b>		
Opening balance	8,782,410	6,283,833
Purchases of investments	1,835,883	1,894,560
Sales of investments	(1,056,965)	(1,003,128)
Changes in value	104,572	1,607,145
<b>Closing balance equity instruments</b>	<b>9,665,900</b>	<b>8,782,410</b>
<b>Debt instruments</b>		
Opening balance	3,957,831	3,487,498
Purchases of investments	1,599,905	792,658
Sales of investments	(1,260,072)	(466,086)
Changes in value	82,816	143,761
<b>Closing balance debt instruments</b>	<b>4,380,480</b>	<b>3,957,831</b>
<b>Indirect real estate</b>		
Opening balance	1,524,317	1,203,884
Purchases of investments	263,379	377,016
Sales of investments	(114,954)	(281,971)
Changes in value	(301,167)	225,388
<b>Closing balance indirect real estate</b>	<b>1,371,575</b>	<b>1,524,317</b>
<b>Total investments</b>		
Opening balance	14,264,558	10,975,215
Purchases of investments	3,699,167	3,064,234
Sales of investments	(2,431,991)	(1,751,185)
Changes in value	(113,779)	1,976,294
<b>Closing balance total investments</b>	<b>15,417,955</b>	<b>14,264,558</b>

The table below provides an analysis of the financial instruments measured at fair value, per valuation method.

### Composition of investments according to valuation technique

(amounts x € 1)	2020	2019
Level 1	15,417,955	14,264,558
<b>Total</b>	<b>15,417,955</b>	<b>14,264,558</b>

All the investments of the Sub-fund are listed and therefore classified as level 1 investments.

## VanEck Vectors™ Multi-Asset Growth Allocation UCITS ETF

## Composition of investments according to valuation technique

(amounts x € 1)	2020		
	Currency	Market value	% of NAV
<b>Equity instruments</b>			
Tesla Inc	USD	167,256	1.1
Fast Retailing Co Ltd	JPY	73,201	0.5
PayPal Holdings Inc	USD	70,057	0.5
Daimler AG	EUR	66,344	0.4
Keyence Corp	JPY	65,197	0.4
Murata Manufacturing Co Ltd	JPY	64,924	0.4
AbbVie Inc	USD	63,841	0.4
Infineon Technologies AG	EUR	63,125	0.4
Nidec Corp	JPY	61,650	0.4
NVIDIA Corp	USD	61,458	0.4
Other		8,908,847	57.6
<b>Total equity instruments</b>		<b>9,665,900</b>	<b>62.5</b>
<b>Debt instruments</b>			
NETHERLANDS GOVERNMENT 0% 15/7/2030	EUR	231,634	1.5
FRANCE (GOVT OF) 0% 25/11/2029	EUR	219,936	1.4
BONOS Y OBLIG DEL ESTADO 1.25% 31/10/2030	EUR	168,894	1.1
BUONI POLIENNALI DEL TES 1.35% 1/4/2030	EUR	166,701	1.1
DH EUROPE FINANCE 0.75% 18/9/2031	EUR	127,965	0.8
NESTLE FINANCE INTL LTD 1.75% 2/11/2037	EUR	105,439	0.7
HEIDELBERGCEMENT FIN LUX 1.75% 24/4/2028	EUR	104,595	0.7
FRESENIUS MEDICAL CARE A 1.5% 29/5/2030	EUR	104,249	0.7
BMW FINANCE NV 0.375% 10/7/2023	EUR	100,409	0.6
INNOGY FINANCE BV 1.25% 19/10/2027	EUR	95,424	0.6
Other		2,955,234	19.1
<b>Total debt instruments</b>		<b>4,380,480</b>	<b>28.3</b>
<b>Indirect real estate</b>			
Prologis Inc	USD	130,403	0.8
Vonovia SE	EUR	90,237	0.6
Simon Property Group Inc	USD	48,859	0.3
Public Storage	USD	45,675	0.3
Digital Realty Trust Inc	USD	38,197	0.2
American Tower Corp	USD	31,920	0.2
UDR Inc	USD	28,645	0.2
AvalonBay Communities Inc	USD	27,666	0.2
Alexandria Real Estate Equities Inc	USD	27,238	0.2
Welltower Inc	USD	26,512	0.2
Other		876,223	5.7
<b>Total indirect real estate</b>		<b>1,371,575</b>	<b>8.9</b>
<b>Total investments</b>		<b>15,417,955</b>	<b>99.7</b>



**3. Receivables**

(amounts x € 1)	2020	2019
Dividend receivable	14,260	15,826
Dividend tax receivable	4,239	5,229
Securities transactions still to be settled	15	-
Accrued interest on bonds	19,563	19,859
Other receivables	-	19
<b>Total</b>	<b>38,077</b>	<b>40,933</b>

**4. Summary of changes in the assets under management**

(amounts x € 1)	2020	2019
<b>Opening balance</b>	<b>14,309,772</b>	<b>11,017,282</b>
Issue of shares	1,301,222	1,316,627
Distribution	(292,600)	(284,800)
Interest income	45,301	41,284
Interest expense	(328)	(206)
Dividend income	262,476	286,180
Changes in the value of investments	(113,779)	1,976,294
Management fee	(45,792)	(40,740)
Exchange rate differences	(3,790)	1,074
Other expenses	(1,042)	(3,223)
<b>Closing balance</b>	<b>15,461,440</b>	<b>14,309,772</b>

During the financial closing of the 2020 annual report, an error was identified in the classification of the puttable shares as equity. Based on IAS 32.16A, the puttable shares should have been classified as a liability since the expected cash flows attributable over the life of the instrument and pro-rata claim in the event of the entity's liquidation is different per sub-fund. The error in the financial statements of 2019 resulted in the reclassification of the puttable instruments from equity to liability.

As we consider the error material we applied IAS 8 ('Accounting Policies, Changes in Accounting Estimates and Errors') and adjusted the equity amounts to liability in the comparative financial statements. The error does impact the classification of the results on puttable shares. The error doesn't impact the result or the NAV per share.

**5. Other payables**

(amounts x € 1)	2020	2019
Interest payable	17	-
Management costs payable	4,165	3,888
Dividend tax payable	7,714	5,998
Other short-term debts	-	57
<b>Total</b>	<b>11,896</b>	<b>9,943</b>

**6. Related parties**

A party is an related party if one party can exercise control over the other party or exert significant influence on the other party's financial and operational policy.

VanEck Asset Management B.V. is the Company's director according to the articles of association and acts as Manager of the Company.

The management costs include all costs relating to the management of a fund, such as the management fee, costs of the custodial bank and the payment office, the listing costs, auditor's fee, costs of the purchase and issue of shares, the costs of having the Sub-funds correspond to the relevant index and the administration costs. The management costs are deducted daily from the definitive Net Intrinsic Value of a share in a Sub-fund. The management costs for the period from 1 January 2020 to 31 December 2020 amount to € 45,792 (same period in 2019: € 40,740).

## VanEck Vectors™ Multi-Asset Growth Allocation UCITS ETF

**7. Risks with regard to the financial instruments****Market risk**

In terms of market risk, a distinction can be made between:

- Currency risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in exchange rates;
- Other price risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in market prices caused by factors that apply exclusively for the individual instrument or emitting party, or by factors that affect all instruments traded on the market;
- Interest rate risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in the market interest rate.

The notion of market risk encompasses not only the likelihood of losses, but also the likelihood of gains.

**Currency risk**

The fund has investments denominated in foreign currency and is therefore exposed to significant currency risk.

(amounts x € 1)		2020		2019	
Currency	Amount	% of the NAV	Amount	% of the NAV	
Euro	6,715,598	43.5	6,078,006	42.5	
US dollar	4,514,748	29.2	4,197,149	29.3	
Japanese yen	1,660,248	10.7	1,623,453	11.3	
British pound	801,690	5.2	794,299	5.6	
Other currencies	1,769,156	11.4	1,616,865	11.3	
<b>Total</b>	<b>15,461,440</b>	<b>100.0</b>	<b>14,309,772</b>	<b>100.0</b>	

A 5% increase in the relevant currency, starting on the statement of financial position date and applicable for every currency, would result in a profit increase for the reporting period as shown in the table below.

(amounts x € 1)		2020		2019	
Currency	Amount	% of the NAV	Amount	% of the NAV	
Euro	335,780	2.2	303,900	2.1	
US dollar	225,737	1.5	209,857	1.5	
Japanese yen	83,012	0.5	81,173	0.6	
British pound	40,085	0.3	39,715	0.3	

A 5% decrease in a currency would have an impact of the same magnitude in the opposite direction.

**Market risk**

The risk as a result of changes in market prices is limited by diversifying the investments in the portfolio as much as possible by region and sector.

## VanEck Vectors™ Multi-Asset Growth Allocation UCITS ETF

## Portfolio distribution by sector

(amounts x € 1)				
2020			2019	
Sector	Amount	% of the NAV	Amount	% of the NAV
Financial	3,939,916	25.5	3,981,155	27.9
Non-cyclical consumer goods	2,683,445	17.4	2,180,725	15.2
Government	2,246,447	14.5	2,101,045	14.7
Cyclical consumer goods	1,439,275	9.3	1,211,134	8.5
Industrial	1,404,642	9.1	1,241,379	8.7
Communications	1,212,563	7.8	1,120,355	7.8
Technology	1,036,342	6.7	865,089	6.0
Other sectors	1,455,325	9.4	1,563,676	10.9
<b>Total</b>	<b>15,417,955</b>	<b>99.7</b>	<b>14,264,558</b>	<b>99.7</b>

A 5% increase in the relevant sector, starting on the statement of financial position date and applicable for every sector, would result in a profit increase for the reporting period as shown in the table below.

(amounts x € 1)				
2020			2019	
Sector	Amount	% of the NAV	Amount	% of the NAV
Financial	196,996	1.3	199,058	1.4
Non-cyclical consumer goods	134,172	0.9	109,036	0.8
Government	112,322	0.7	105,052	0.7
Cyclical consumer goods	71,964	0.5	60,557	0.4
Industrial	70,232	0.5	62,069	0.4
Communications	60,628	0.4	56,018	0.4
Technology	51,817	0.3	43,254	0.3

A 5% decrease in the sector would have an impact of the same magnitude in the opposite direction.

## Portfolio distribution by country

(amounts x € 1)				
2020			2019	
Country	Amount	% of the NAV	Amount	% of the NAV
United States	4,883,644	31.5	4,553,862	31.8
Japan	1,705,451	11.0	1,667,646	11.7
Germany	1,307,824	8.5	1,265,866	8.8
France	1,246,377	8.1	1,209,806	8.5
Netherlands	1,153,743	7.5	850,044	5.9
United Kingdom	1,096,616	7.1	1,089,704	7.6
Other countries	4,024,300	26.0	3,627,630	25.4
<b>Total</b>	<b>15,417,955</b>	<b>99.7</b>	<b>14,264,558</b>	<b>99.7</b>

## VanEck Vectors™ Multi-Asset Growth Allocation UCITS ETF

Country risk relates to uncertainty associates with investing in a certain country, which may be caused by political, economic, or technological influences. A 5% decrease in the relevant country, starting on the statement of financial position date and applicable for every country, would result in losses for the reporting period as shown in the table below.

(amounts x € 1)		2020		2019	
Country	Amount	% of the NAV	Amount	% of the NAV	
United States	244,182	1.6	227,693	1.6	
Japan	85,273	0.6	83,382	0.6	
Germany	65,391	0.4	63,293	0.4	
France	62,319	0.4	60,490	0.4	
Netherlands	57,687	0.4	42,502	0.3	
United Kingdom	54,831	0.4	54,485	0.4	

**Interest rate risk**

The company invests in fixed-interest financial instruments and is consequently exposed to interest rate risk.

(amounts x € 1)	<= 1 year	<= 5 years	> 5 years	Not interest bearing	Total 2020
<b>Assets</b>					
Investments	236,967	2,035,645	2,107,868	11,037,475	15,417,955
Cash and cash equivalents	17,304	-	-	-	17,304
Receivables	-	-	-	38,077	38,077
Total assets	254,271	2,035,645	2,107,868	11,075,552	15,473,336
<b>Liabilities</b>					
Other payables	-	-	-	11,896	11,896
<b>Equity</b>					
Shares	-	-	-	15,461,440	15,461,440
Total equity and liabilities	-	-	-	15,473,336	15,473,336
<b>Total</b>	<b>254,271</b>	<b>2,035,645</b>	<b>2,107,868</b>	<b>(4,397,784)</b>	<b>-</b>

## VanEck Vectors™ Multi-Asset Growth Allocation UCITS ETF

(amounts x € 1)	<= 1 year	<= 5 years	> 5 years	Not interest bearing	Total 2019
<b>Assets</b>					
Investments	164,272	1,489,485	2,304,074	10,306,727	14,264,558
Cash and cash equivalents	14,224	-	-	-	14,224
Receivables	-	-	-	40,933	40,933
<b>Total assets</b>	<b>178,496</b>	<b>1,489,485</b>	<b>2,304,074</b>	<b>10,347,660</b>	<b>14,319,715</b>
<b>Liabilities</b>					
Other payables	-	-	-	9,943	9,943
<b>Equity</b>					
Shares	-	-	-	14,309,772	14,309,772
<b>Total equity and liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,319,715</b>	<b>14,319,715</b>
<b>Total</b>	<b>178,496</b>	<b>1,489,485</b>	<b>2,304,074</b>	<b>(3,972,055)</b>	<b>-</b>

All other variables remaining the same, a 100-basis point decline in the interest rates effective as of the statement of financial position date would result in a € 275,415 increase in the profit for the reporting period (2019: € 236,900). A 100-basis point rise in the interest rates effective as of the statement of financial position date would result in a € 275,415 decrease in the profit for the reporting period.

(amounts x € 1)	0-1%	1-3%	3-5%	>5%	Total 2020
<b>Assets</b>					
Bonds	2,060,470	2,320,010	-	-	4,380,480
<b>Total assets</b>	<b>2,060,470</b>	<b>2,320,010</b>	<b>-</b>	<b>-</b>	<b>4,380,480</b>

(amounts x € 1)	0-1%	1-3%	3-5%	>5%	Total 2019
<b>Assets</b>					
Bonds	1,861,045	2,096,786	-	-	3,957,831
<b>Total assets</b>	<b>1,861,045</b>	<b>2,096,786</b>	<b>-</b>	<b>-</b>	<b>3,957,831</b>

## VanEck Vectors™ Multi-Asset Growth Allocation UCITS ETF

**Credit risk**

Credit risk is the risk that the contract party in a financial instrument will not satisfy its obligation, which means the Sub-fund will have to recognise a financial loss. The amount that best represents the maximum credit risk is € 4,435,861 (2019: € 4,012,988).

The Sub-fund invests in monetary financial instruments and is consequently exposed to significant credit risk. The table below shows the concentrations of credit risk of the investments in bonds.

(amounts x € 1)		2020		2019	
Credit rating	Amount	% of the NAV	Amount	% of the NAV	
AAA	646,754	4.2	545,384	3.8	
AA	977,461	6.3	957,773	6.7	
A	1,140,113	7.4	1,241,701	8.7	
BBB	1,616,152	10.5	1,212,973	8.5	
<b>Total</b>	<b>4,380,480</b>	<b>28.4</b>	<b>3,957,831</b>	<b>27.7</b>	

**Liquidity risk**

Liquidity risk, also called funding risk, is the risk that the legal entity will be unable to secure the financial resources needed to satisfy obligations under the financial instruments. Liquidity risk can arise, for instance, if a financial asset cannot be sold at fair value in the short term.

Shares in the Sub-funds can be bought and sold on Euronext Amsterdam, whereby the Liquidity Provider ensures that there is both a bid and ask price at which the share can be traded. The Sub-fund's investments are likewise listed. Consequently the Sub-fund is not exposed to significant liquidity risk.

## VanEck Vectors™ Multi-Asset Growth Allocation UCITS ETF

**8. Cost section****OCF (ongoing charges figure)**

The OCF is a measure of the ongoing costs charged to the Sub-fund during the reporting period. The following starting points are important for calculating the ongoing charges:

- The OCF shows the ratio of ongoing costs to average intrinsic value. The ongoing charges encompass all costs charged to the fund assets during the reporting period, with the exception of the spread applied for the entry and exit of shareholders, any performance fees and transaction costs of investments and interest charges on bank accounts. Performance fees must be presented separately, if applicable. No performance fee applies for the VanEck UCITS ETFs.
- The average intrinsic value is based on the intrinsic values on every day that the intrinsic value of the Sub-fund is determined during the reporting period.

(amounts x € 1.000)	2020	2019
<b>Average intrinsic value</b>	<b>14,313,128</b>	<b>12,722,759</b>
Total costs within the Sub fund	45,792	40,740
<b>OCF</b>	<b>0.32%</b>	<b>0.32%</b>

**Comparison of costs to prospectus over 2020 financial year**

(amounts x € 1)	Amount	%	Prospectus
Total costs within the Sub fund	45,792	0.32%	0.32%
<b>Total</b>	<b>45,792</b>	<b>0.32%</b>	<b>0.32%</b>

The percentage is calculated with respect to the average assets as used for the OCF.

**Portfolio Turnover ratio**

The Portfolio Turnover ratio (PTR) gives an indication of the turnover rate of the Sub-fund's portfolio. This indicator gives an impression of the relative transaction costs involved in the differences in portfolio management.

The PTR is calculated as follows:

$$[(\text{Total 1} - \text{Total 2}) / X] * 100$$

Total 1: the total amount in securities transactions (securities purchases + securities sales)

Total 2: the total amount in transactions (issue + purchases) of participation rights in the investment institution

X: the average intrinsic value of the investment institution.

An PTR of 33.8% is calculated using this formula (2019: 27.5%). This means that in 2020, purchases and sales took place in the amount of 0.3 times the average intrinsic value of the Sub-fund. This amount has been corrected for the regular purchases and sales performed on account of entries and exits.



# VanEck Vectors™ ETFs N.V.

Annual Report 2020

Series F

VanEck Vectors™ Global Equal Weight UCITS ETF

# VanEck®

Access the opportunities.

## VanEck Vectors™ Global Equal Weight UCITS ETF

## General Information

## Investment policy

The aim of the VanEck Vectors™ Global Equal Weight UCITS ETF is to follow the Solactive Global Equity Index as closely as possible.

The (general) criteria below apply to the (composition of the) Solactive Global Equity Index:

- first shares are selected with a primary stock-market listing in developed countries worldwide, as described in the 'Solactive Global Equity Index Guideline';
- exclusively ordinary and preferred shares and Depositary Receipts are eligible;
- Limited Partnerships and shares listed in Hong Kong that achieve more than 75% of their turnover outside the specified developed countries are excluded;
- exclusively shares with semi-annual average trading volume of EUR 25 million per day are eligible;
- only the most liquid listing for each company is eligible;
- the 250 largest shares are then selected based on free float market capitalisation;
- the Index is equally weighted on the reweighting date, after that the weighting can vary due to price fluctuations;
- the Index is reweighted annually on the third Tuesday of March so that the 250 shares are again equally weighted. Shares can also be added or removed. If this is not a Trading Day, the reweighting takes place on the next Trading Day; and
- for each geographic region, the weighting in the Index is capped at 40% at the moment of reweighting.

## Key figures Series F: VanEck Vectors™ AEX UCITS ETF

(amounts x € 1)	2020	2019	2018	2017	2016
<i>Summary per share<sup>6</sup></i>					
Changes in the value of investments	(4.70)	8.97	(3.68)	1.73	2.74
Direct returns	1.14	1.35	1.17	1.07	1.00
<b>Total operating income</b>	<b>(3.56)</b>	<b>10.32</b>	<b>(2.51)</b>	<b>2.80</b>	<b>3.74</b>
Management costs and interest charges	(0.07)	(0.07)	(0.07)	(0.07)	(0.07)
Other expenses	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
<b>Total operating expenses</b>	<b>(0.07)</b>	<b>(0.07)</b>	<b>(0.07)</b>	<b>(0.07)</b>	<b>(0.07)</b>
Distribution	1.51	1.24	1.06	0.93	0.88
Fund assets	252,600,669	1,001,210,520	789,253,895	629,269,566	522,405,425
Number of outstanding shares	5,591,190	21,911,190	21,481,190	15,806,190	13,750,000
Intrinsic value per share*	45.18	45.67	36.74	39.81	37.99
Fund performance	2.64%	27.96%	(5.22%)	7.28%	8.34%
Benchmark performance	2.79%	28.23%	(5.13%)	7.51%	8.80%

\* Compared to last year the intrinsic value per share shows a small decrease despite of a negative operational result and Distribution. This is related to the subscriptions and redemptions during the stock market dip of March 2020 due to Covid-19.

<sup>6</sup> The summary per share is calculated by dividing the result by average number of shares.

## 4.11 Financial statements VanEck Vectors™ Global Equal Weight UCITS ETF

### 4.11.1. Statement of financial position

(amounts x € 1)		2020	2019 (Restated)
<b>ASSETS</b>			
Cash and cash equivalents	{1}	368,384	5,683,093
<u>Investments</u>			
Equity instruments		248,891,914	987,052,516
Indirect real estate		2,783,958	11,133,143
<b>Investments</b>	{2}	<b>251,675,872</b>	<b>998,185,659</b>
Receivables	{3}	1,011,837	7,089,088
<b>Total assets</b>		<b>253,056,093</b>	<b>1,010,957,840</b>
<b>LIABILITIES</b>			
Other payables	{5}	455,424	9,747,320
<b>Net assets attributable to shareholders</b>	{4}	<b>252,600,669</b>	<b>1,001,210,520</b>
<b>Total liabilities</b>		<b>253,056,093</b>	<b>1,010,957,840</b>

The numbers next to the items refer to the notes to the statement of financial position and statement of profit and loss and other comprehensive income. The notes form an integral part of the financial statements.

**4.11.2. Statement of profit and loss and other comprehensive income**

(amounts x € 1)	2020	2019 (Restated)
<b>Investment result</b>		
Changes in the value of investments	(67,236,816)	194,554,939
Interest income	1,290	2,283
Interest expense	(37,101)	(31,895)
Dividend income	16,255,076	29,275,148
Foreign exchange differences	(200,863)	305
<b>Total investment result</b>	<b>(51,218,414)</b>	<b>223,800,780</b>
Management costs {8}	(1,014,920)	(1,509,286)
Transaction costs	(6)	(3,944)
<b>Total expenses</b>	<b>(1,014,926)</b>	<b>(1,513,230)</b>
<b>Distribution</b>	<b>(17,232,997)</b>	<b>(26,771,426)</b>
<b>Increase/decrease in the net assets attributable to shareholders</b>	<b>(69,466,337)</b>	<b>195,516,124</b>

The numbers next to the items refer to the notes to the statement of financial position and statement of profit and loss and other comprehensive income. The notes form an integral part of the financial statements.

**4.11.3. Statement of cash flows**

(amounts x € 1)	2020	2019
Purchases of investments	(201,500,874)	(228,524,252)
Sales of investments	876,202,189	219,310,876
Interest received	1,290	-
Interest paid	(36,793)	(29,286)
Dividends received	17,356,897	28,485,680
Management costs paid	(1,105,643)	(1,490,425)
Other expenses paid	(4,592,076)	(13,412)
<b>Cash flow from operating activities</b>	<b>686,324,990</b>	<b>17,739,181</b>
Issue of shares	100,634,789	98,346,288
Repurchase of shares	(775,205,591)	(81,896,537)
Distribution	(16,868,034)	(26,954,281)
<b>Net cash flow from financing activities</b>	<b>(691,438,836)</b>	<b>(10,504,530)</b>
Foreign exchange differences	(200,863)	305
<b>Net cash flow</b>	<b>(5,314,709)</b>	<b>7,234,956</b>
Cash and cash equivalents at beginning of the period	5,683,093	(1,551,863)
<b>Cash and cash equivalents at end of the period</b>	<b>368,384</b>	<b>5,683,093</b>

The notes form an integral part of the financial statements.

**4.11.4. Statement of changes in net assets attributable to shareholders**

(amounts x € 1)	2020	2019
<b>Net assets attributable to redeemable participating shareholders at the beginning of the financial year</b>	<b>1,001,210,520</b>	<b>789,253,895</b>
Proceeds from the issuance of redeemable participating shares	96,062,077	102,918,998
Payments for the redemption of redeemable participating shares	(775,205,591)	(86,478,497)
Increase/decrease in the net assets attributable to shareholders	(69,466,337)	195,516,124
<b>Net assets attributable to redeemable participating shareholders at the end of the financial year</b>	<b>252,600,669</b>	<b>1,001,210,520</b>
<b>Number of redeemable participating shares</b>		
Redeemable participating shares at the beginning of the financial year	21,911,190	21,481,190
Issuance of redeemable participating shares	2,500,000	2,475,000
Repurchase of redeemable participating shares	(18,820,000)	(2,045,000)
<b>Redeemable participating shares at the end of the financial year</b>	<b>5,591,190</b>	<b>21,911,190</b>

**4.11.5. Notes****Accounting policies**

For the accounting policies used for the financial statements, refer to the Company's accounting policies as set out in chapter 4.5.

**Correction of error**

During the financial closing of the 2020 annual report, an error was identified in the classification of the puttable shares as equity. Based on IAS 32.16A, the puttable shares should have been classified as a liability since the expected cash flows attributable over the life of the instrument and the pro-rata claim in the event of the fund's liquidation is different per sub-fund.

Carrying amount (amounts x € 1)	Original 2019	Restated 2019
<b>Statement of financial position as of 31 December</b>		
Equity	1,001,210,520	-
Net assets attributable to shareholders	-	1,001,210,520
<b>Total</b>	<b>1,001,210,520</b>	<b>1,001,210,520</b>
<b>Statement of profit and loss and other comprehensive income</b>		
Distribution	-	(26,771,426)
Total Result	195,516,124	-
Increase in the net assets attributable to shareholders	-	222,287,550
<b>Total</b>	<b>195,516,124</b>	<b>195,516,124</b>

As we consider the error material we applied IAS 8 ('Accounting Policies, Changes in Accounting Estimates and Errors') and adjusted the comparative financial figures for the above accounts in the 2019 financial statements. The error does impact the classification of the results puttable shares and impact the result. The error doesn't impact the result or the NAV per share.

For previous years the same classification would apply and it would not impact the Net Asset Value for these years.

## VanEck Vectors™ Global Equal Weight UCITS ETF

## Notes to the statement of financial position and statement of profit and loss and other comprehensive income

## 1. Cash and cash equivalents

At 31 December 2020 there are no restrictions on the use of the cash and cash equivalents.

The Foreign exchange rates as of 31 December 2020 are as follows:

Foreign currency	31 December 2020	Average of 2020	31 December 2019	Average of 2019
AUD	1.5856	1.6534	1.5969	1.6102
CAD	1.5588	1.5290	1.4556	1.4850
CHF	1.0816	1.0702	1.0870	1.1121
DKK	7.4435	7.4542	7.4725	7.4661
GBP	0.8951	0.8889	0.8474	0.8769
HKD	9.4873	8.8418	8.7463	8.7695
JPY	126.3255	121.7419	121.9877	121.9755
KRW	1,329.1424	1,344.7234	1,298.1152	1,304.7109
NOK	10.4760	10.7101	9.8638	9.8474
SEK	10.0485	10.4809	10.5078	10.5852
SGD	1.6171	1.5728	1.5094	1.5269
USD	1.2236	1.1400	1.1225	1.1192

## VanEck Vectors™ Global Equal Weight UCITS ETF

## 2. Investments

## Summary of changes in the investments according to characteristic of financial instrument

(amounts x € 1)	2020	2019
<b>Equity instruments</b>		
Opening balance	987,052,516	783,475,707
Purchases of investments	192,758,082	224,785,525
Sales of investments	(863,886,224)	(214,833,766)
Changes in value	(67,032,460)	193,625,050
<b>Closing balance equity instruments</b>	<b>248,891,914</b>	<b>987,052,516</b>
<b>Indirect real estate</b>		
Opening balance	11,133,143	6,370,399
Purchases of investments	4,171,136	8,309,965
Sales of investments	(12,315,965)	(4,477,110)
Changes in value	(204,356)	929,889
<b>Closing balance indirect real estate</b>	<b>2,783,958</b>	<b>11,133,143</b>
<b>Total investments</b>		
Opening balance	998,185,659	789,846,106
Purchases of investments	196,929,218	233,095,490
Sales of investments	(876,202,189)	(219,310,876)
Changes in value	(67,236,816)	194,554,939
<b>Closing balance total investments</b>	<b>251,675,872</b>	<b>998,185,659</b>

The table below provides an analysis of the financial instruments measured at fair value, per valuation method.

## Composition of investments according to valuation technique

(amounts x € 1)	2020	2019
Level 1	251,675,872	998,185,659
<b>Total</b>	<b>251,675,872</b>	<b>998,185,659</b>

All the investments of the Sub-fund are listed and therefore classified as level 1 investments.



## VanEck Vectors™ Global Equal Weight UCITS ETF

## Composition of investments according to valuation technique

(amounts x € 1)	2020		
	Currency	Market value	% of NAV
<b>Equity instruments</b>			
Tesla Inc	USD	4,335,352	1.7
PayPal Holdings Inc	USD	1,692,257	0.7
Infineon Technologies AG	EUR	1,678,706	0.7
Nidec Corp	JPY	1,613,182	0.6
Daimler AG	EUR	1,611,185	0.6
NVIDIA Corp	USD	1,585,955	0.6
QUALCOMM Inc	USD	1,531,182	0.6
Apple Inc	USD	1,474,984	0.6
SoftBank Group Corp	JPY	1,463,416	0.6
Nintendo Co Ltd	JPY	1,459,120	0.6
Other		230,446,575	91.2
<b>Total equity instruments</b>		<b>248,891,914</b>	<b>98.5</b>
<b>Indirect real estate</b>			
Vonovia SE	EUR	1,090,202	0.4
Prologis Inc	USD	969,680	0.4
American Tower Corp	USD	724,076	0.3
<b>Total indirect real estate</b>		<b>2,783,958</b>	<b>1.1</b>
<b>Total investments</b>		<b>251,675,872</b>	<b>99.6</b>

## 3. Receivables

(amounts x € 1)	2020	2019
Dividend receivable	240,338	1,342,159
Dividend tax receivable	771,499	1,174,217
Other receivables	-	4,572,712
<b>Total</b>	<b>1,011,837</b>	<b>7,089,088</b>

## 4. Summary of changes in the assets under management

(amounts x € 1)	2020	2019
<b>Opening balance</b>	<b>1,001,210,520</b>	<b>789,253,895</b>
Issue of shares	96,062,077	102,918,998
Purchase of shares	(775,205,591)	(86,478,497)
Distribution	(17,232,997)	(26,771,426)
Interest income	1,290	2,283
Interest expense	(37,101)	(31,895)
Dividend income	16,239,100	29,275,148
Changes in the value of investments	(67,236,816)	194,554,939
Management fee	(1,014,920)	(1,509,286)
Exchange rate differences	(200,863)	305
Other expenses	15,970	(3,944)
<b>Closing balance</b>	<b>252,600,669</b>	<b>1,001,210,520</b>

## VanEck Vectors™ Global Equal Weight UCITS ETF

During the financial closing of the 2020 annual report, an error was identified in the classification of the puttable shares as equity. Based on IAS 32.16A, the puttable shares should have been classified as a liability since the expected cash flows attributable over the life of the instrument and pro-rata claim in the event of the entity's liquidation is different per sub-fund. The error in the financial statements of 2019 resulted in the reclassification of the puttable instruments from equity to liability.

As we consider the error material we applied IAS 8 ('Accounting Policies, Changes in Accounting Estimates and Errors') and adjusted the equity amounts to liability in the comparative financial statements. The error does impact the classification of the results on puttable shares. The error doesn't impact the result or the NAV per share.

## 5. Other payables

(amounts x € 1)	2020	2019
Interest payable	308	-
Management costs payable	41,123	131,846
Dividend tax payable	358,839	451,748
Securities transactions still to be settled	-	4,571,656
Other short-term debts	55,154	4,592,070
<b>Total</b>	<b>455,424</b>	<b>9,747,320</b>

## 6. Related parties

A party is an related party if one party can exercise control over the other party or exert significant influence on the other party's financial and operational policy.

VanEck Asset Management B.V. is the Company's director according to the articles of association and acts as Manager of the Company.

The management costs include all costs relating to the management of a fund, such as the management fee, costs of the custodial bank and the payment office, the listing costs, auditor's fee, costs of the purchase and issue of shares, the costs of having the Sub-funds correspond to the relevant index and the administration costs. The management costs are deducted daily from the definitive Net Intrinsic Value of a share in a Sub-fund. The management costs for the period from 1 January 2020 to 31 December 2020 amount to € 1,014,920 (same period in 2019: € 1,509,286).

## 7. Risks with regard to the financial instruments

### Market risk

In terms of market risk, a distinction can be made between:

- Currency risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in exchange rates;
- Other price risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in market prices caused by factors that apply exclusively for the individual instrument or emitting party, or by factors that affect all instruments traded on the market;
- Interest rate risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in the market interest rate.

The notion of market risk encompasses not only the likelihood of losses, but also the likelihood of gains.

## VanEck Vectors™ Global Equal Weight UCITS ETF

**Currency risk**

The fund has investments denominated in foreign currency and is therefore exposed to significant currency risk.

(amounts x € 1)				
2020			2019	
Currency	Amount	% of the NAV	Amount	% of the NAV
US dollar	97,683,367	38.7	383,527,226	38.2
Euro	56,161,851	22.2	217,285,667	21.7
Japanese yen	38,216,427	15.1	160,813,413	16.1
British pound	19,378,762	7.7	82,811,259	8.3
Other currencies	41,160,262	16.3	156,772,955	15.7
<b>Total</b>	<b>252,600,669</b>	<b>100.0</b>	<b>1,001,210,520</b>	<b>100.0</b>

A 5% increase in the relevant currency, starting on the statement of financial position date and applicable for every currency, would result in a profit increase for the reporting period as shown in the table below.

(amounts x € 1)				
2020			2019	
Currency	Amount	% of the NAV	Amount	% of the NAV
US dollar	4,884,168	1.9	19,176,361	1.9
Japanese yen	1,910,821	0.8	8,040,671	0.8
British pound	968,938	0.4	4,140,563	0.4

A 5% decrease in a currency would have an impact of the same magnitude in the opposite direction.

**Market risk**

The risk as a result of changes in market prices is limited by diversifying the investments in the portfolio as much as possible by region and sector.

**Portfolio distribution by sector**

(amounts x € 1)				
2020			2019	
Sector	Amount	% of the NAV	Amount	% of the NAV
Non-cyclical consumer goods	57,916,442	22.9	226,062,619	22.5
Financial	54,355,922	21.5	218,342,695	21.8
Industrial	32,282,066	12.8	132,173,225	13.2
Cyclical consumer goods	32,020,693	12.7	116,874,642	11.7
Technology	25,473,320	10.1	90,611,802	9.1
Communications	24,063,683	9.5	99,918,992	10.0
Other sectors	25,563,746	10.1	114,201,684	11.4
<b>Total</b>	<b>251,675,872</b>	<b>99.6</b>	<b>998,185,659</b>	<b>99.7</b>

A 5% increase in the relevant sector, starting on the statement of financial position date and applicable for every sector, would result in a profit increase for the reporting period as shown in the table below.

## VanEck Vectors™ Global Equal Weight UCITS ETF

(amounts x € 1)				
2020			2019	
Sector	Amount	% of the NAV	Amount	% of the NAV
Non-cyclical consumer goods	2,895,822	1.1	11,303,131	1.1
Financial	2,717,796	1.1	10,917,135	1.1
Industrial	1,614,103	0.6	6,608,661	0.7
Cyclical consumer goods	1,601,035	0.6	5,843,732	0.6
Technology	1,273,666	0.5	4,530,590	0.5
Communications	1,203,184	0.5	4,995,950	0.5

A 5% decrease in the sector would have an impact of the same magnitude in the opposite direction.

## Portfolio distribution by country

(amounts x € 1)				
2020			2019	
Country	Amount	% of the NAV	Amount	% of the NAV
United States	97,632,389	38.7	383,381,427	38.2
Japan	38,214,398	15.1	160,809,472	16.1
United Kingdom	19,378,462	7.7	82,710,749	8.3
France	18,538,864	7.3	78,135,374	7.8
Germany	18,027,533	7.1	59,973,521	6.0
Other countries	59,884,226	23.7	233,175,116	23.3
<b>Total</b>	<b>251,675,872</b>	<b>99.6</b>	<b>998,185,659</b>	<b>99.7</b>

Country risk relates to uncertainty associates with investing in a certain country, which may be caused by political, economic, or technological influences. A 5% decrease in the relevant country, starting on the statement of financial position date and applicable for every country, would result in losses for the reporting period as shown in the table below.

(amounts x € 1)				
2020			2019	
Country	Amount	% of the NAV	Amount	% of the NAV
United States	4,881,619	1.9	19,169,071	1.9
Japan	1,910,720	0.8	8,040,474	0.8
United Kingdom	968,923	0.4	4,135,537	0.4
France	926,943	0.4	3,906,769	0.4
Germany	901,377	0.4	2,998,676	0.3

## Interest rate risk

The Sub-fund does not invest in fixed-interest financial instruments and is consequently not exposed to significant interest rate risk.

## VanEck Vectors™ Global Equal Weight UCITS ETF

**Credit risk**

Credit risk is the risk that the contract party in a financial instrument will not satisfy its obligation, which means the Sub-fund will have to recognise a financial loss. The amount that best represents the maximum credit risk is € 1,380,221 (2019: € 12,772,181).

The Sub-fund does not invest in monetary financial instruments and is consequently not exposed to significant credit risk.

**Liquidity risk**

Liquidity risk, also called funding risk, is the risk that the legal entity will be unable to secure the financial resources needed to satisfy obligations under the financial instruments. Liquidity risk can arise, for instance, if a financial asset cannot be sold at fair value in the short term.

Shares in the Sub-funds can be bought and sold on Euronext Amsterdam, whereby the Liquidity Provider ensures that there is both a bid and ask price at which the share can be traded. The Sub-fund's investments are likewise listed. Consequently the Sub-fund is not exposed to significant liquidity risk.

**8. Cost section****OCF (ongoing charges figure)**

The OCF is a measure of the ongoing costs charged to the Sub-fund during the reporting period. The following starting points are important for calculating the ongoing charges:

- The OCF shows the ratio of ongoing costs to average intrinsic value. The ongoing charges encompass all costs charged to the fund assets during the reporting period, with the exception of the spread applied for the entry and exit of shareholders, any performance fees and transaction costs of investments and interest charges on bank accounts. Performance fees must be presented separately, if applicable. No performance fee applies for the VanEck UCITS ETFs.
- The average intrinsic value is based on the intrinsic values on every day that the intrinsic value of the Sub-fund is determined during the reporting period.

(amounts x € 1.000)	2020	2019
<b>Average intrinsic value</b>	<b>593,438,494</b>	<b>911,873,727</b>
Total costs within the Sub fund	1,014,920	1,509,286
<b>OCF</b>	<b>0.17%</b>	<b>0.16%</b>

**Comparison of costs to prospectus over 2020 financial year**

(amounts x € 1)	Amount	%	Prospectus
Total costs within the Sub fund	1,014,920	0.17%	0.16%
<b>Total</b>	<b>998,950</b>	<b>0.17%</b>	<b>0.16%</b>

The percentage is calculated with respect to the average assets as used for the OCF.

**VanEck Vectors™ Global Equal Weight UCITS ETF**

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**Portfolio Turnover ratio**

The Portfolio Turnover ratio (PTR) gives an indication of the turnover rate of the Sub-fund's portfolio. This indicator gives an impression of the relative transaction costs involved in the differences in portfolio management.

The PTR is calculated as follows:

$$[(\text{Total 1} - \text{Total 2}) / X] * 100$$

Total 1: the total amount in securities transactions (securities purchases + securities sales)

Total 2: the total amount in transactions (issue + purchases) of participation rights in the investment institution

X: the average intrinsic value of the investment institution.

An PTR of 34.0% is calculated using this formula (2019: 29.8%). This means that in 2020, purchases and sales took place in the amount of 0.3 times the average intrinsic value of the Sub-fund. This amount has been corrected for the regular purchases and sales performed on account of entries and exits.

# VanEck Vectors™ ETFs N.V.

Annual Report 2020

Serie G

VanEck Vectors™ Global Real Estate UCITS ETF

# VanEck®

Access the opportunities.

## VanEck Vectors™ Global Real Estate UCITS ETF

## General Information

## Investment policy

The aim of the VanEck Vectors™ Global Real Estate UCITS ETF is to follow the GPR Global 100 Index as closely as possible.

The (general) criteria below apply to the (composition of the) GPR Global 100 Index:

- the index is based on 100 leading property companies in the world and represents 70-80% of the worldwide (investible) property market capitalisation;
- the index consists of 40 property shares from America, 30 property shares from Asia and 30 property shares from Europe, the Middle East and Africa;
- for every region, the shares are selected on the basis of liquidity measured over the past year;
- the index uses a weighting method based on freely tradable market capitalisation;
- the index is reweighted semi-annually on the third Friday of March and September. Shares can also be added or removed with the reweighting. If this is not a Trading Day, the reweighting takes place on the next Trading Day; and
- the weighting in the index is capped at 20% per share. If just one share exceeds this 20%, the maximum for this one share can be increased to 35%.

## Key figures Series G: VanEck Vectors™ Global Real Estate UCITS ETF

(amounts x € 1)	2020	2019	2018	2017	2016
<i>Summary per share<sup>7</sup></i>					
Changes in the value of investments	(11.68)	6.30	(1.60)	(2.64)	(1.53)
Direct returns	1.31	1.54	1.72	1.36	1.39
<b>Total operating income</b>	<b>(10.37)</b>	<b>7.84</b>	<b>0.12</b>	<b>(1.28)</b>	<b>(0.14)</b>
Management costs and interest charges	(0.09)	(0.10)	(0.09)	(0.10)	(0.10)
Other expenses	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
<b>Total operating expenses</b>	<b>(0.09)</b>	<b>(0.10)</b>	<b>(0.09)</b>	<b>(0.10)</b>	<b>(0.10)</b>
Distribution	1.50	1.38	1.52	1.16	1.23
Fund assets	96,460,926	243,892,660	188,119,771	186,526,348	163,190,565
Number of outstanding shares	2,835,404	5,835,404	5,335,404	5,085,404	4,150,000
Intrinsic value per share	34.02	41.79	35.26	36.68	39.32
Fund performance	(14.79%)	22.59%	0.22%	(3.80%)	(0.14%)
Benchmark performance	(14.72%)	22.96%	0.62%	(3.46%)	0.24%

<sup>7</sup> The summary per share is calculated by dividing the result by average number of shares.



## 4.12 Financial statements VanEck Vectors™ Global Real Estate UCITS ETF

### 4.12.1. Statement of financial position

(amounts x € 1)		2020	2019 (Restated)
<b>ASSETS</b>			
Cash and cash equivalents	{1}	35,354	353,520
<u>Investments</u>			
Equity instruments		1,885,957	4,275,610
Indirect real estate		94,266,977	238,496,741
<b>Investments</b>	{2}	<b>96,152,934</b>	<b>242,772,351</b>
Receivables	{3}	392,301	880,910
<b>Total assets</b>		<b>96,580,589</b>	<b>244,006,781</b>
<b>LIABILITIES</b>			
Other payables	{5}	119,663	114,121
<b>Net assets attributable to shareholders</b>	{4}	<b>96,460,926</b>	<b>243,892,660</b>
<b>Total liabilities</b>		<b>96,580,589</b>	<b>244,006,781</b>

The numbers next to the items refer to the notes to the statement of financial position and statement of profit and loss and other comprehensive income. The notes form an integral part of the financial statements.

**4.12.2. Statement of profit and loss and other comprehensive income**

(amounts x € 1)	2020	2019 (Restated)
<b>Investment result</b>		
Changes in the value of investments	(51,173,063)	34,476,872
Interest income	727	1,721
Interest expense	(7,154)	(5,793)
Dividend income	5,721,188	8,426,163
Foreign exchange differences	(55,497)	(19,695)
<b>Total investment result</b>	<b>(45,513,799)</b>	<b>42,879,268</b>
Management costs {8}	(384,007)	(558,060)
Transaction costs	(3,542)	(2,571)
<b>Total expenses</b>	<b>(387,549)</b>	<b>(560,631)</b>
<b>Distribution</b>	<b>(6,179,106)</b>	<b>(7,566,858)</b>
<b>Increase/decrease in the net assets attributable to shareholders</b>	<b>(52,080,454)</b>	<b>34,751,779</b>

The numbers next to the items refer to the notes to the statement of financial position and statement of profit and loss and other comprehensive income. The notes form an integral part of the financial statements.

**4.12.3. Statement of cash flows**

(amounts x € 1)	2020	2019
Purchases of investments	(57,280,113)	(68,798,316)
Sales of investments	152,727,093	47,823,434
Interest received	727	-
Interest paid	(6,991)	(3,871)
Dividends received	6,204,831	8,213,452
Management costs paid	(415,994)	(546,690)
Other expenses paid	(8,009)	(1,230)
<b>Cash flow from operating activities</b>	<b>101,221,544</b>	<b>(13,313,221)</b>
Issue of shares	44,002,530	46,803,835
Repurchase of shares	(139,353,810)	(25,782,725)
Distribution	(6,132,933)	(7,536,120)
<b>Net cash flow from financing activities</b>	<b>(101,484,213)</b>	<b>13,484,990</b>
Foreign exchange differences	(55,497)	(19,695)
<b>Net cash flow</b>	<b>(318,166)</b>	<b>152,074</b>
Cash and cash equivalents at beginning of the period	353,520	201,446
<b>Cash and cash equivalents at end of the period</b>	<b>35,354</b>	<b>353,520</b>

The notes form an integral part of the financial statements.

**4.12.4. Statement of changes in net assets attributable to shareholders**

(amounts x € 1)	2020	2019
<b>Net assets attributable to redeemable participating shareholders at the beginning of the financial year</b>	<b>243,892,660</b>	<b>188,119,771</b>
Proceeds from the issuance of redeemable participating shares	44,002,530	46,803,835
Payments for the redemption of redeemable participating shares	(139,353,810)	(25,782,725)
Increase/decrease in the net assets attributable to shareholders	(52,080,454)	34,751,779
<b>Net assets attributable to redeemable participating shareholders at the end of the financial year</b>	<b>96,460,926</b>	<b>243,892,660</b>
<b>Number of redeemable participating shares</b>		
Redeemable participating shares at the beginning of the financial year	5,835,404	5,335,404
Issuance of redeemable participating shares	1,300,000	1,150,000
Repurchase of redeemable participating shares	(4,300,000)	(650,000)
<b>Redeemable participating shares at the end of the financial year</b>	<b>2,835,404</b>	<b>5,835,404</b>

**4.12.5. Notes****Accounting policies**

For the accounting policies used for the financial statements, refer to the Company's accounting policies as set out in chapter 4.5.

**Correction of error**

During the financial closing of the 2020 annual report, an error was identified in the classification of the puttable shares as equity. Based on IAS 32.16A, the puttable shares should have been classified as a liability since the expected cash flows attributable over the life of the instrument and the pro-rata claim in the event of the fund's liquidation is different per sub-fund.

Carrying amount (amounts x € 1)	Original 2019	Restated 2019
<b>Statement of financial position as of 31 December</b>		
Equity	243,892,660	-
Net assets attributable to shareholders	-	243,892,660
<b>Total</b>	<b>243,892,660</b>	<b>243,892,660</b>
<b>Statement of profit and loss and other comprehensive income</b>		
Distribution	-	(7,566,858)
Total Result	34,751,779	-
Increase in the net assets attributable to shareholders	-	42,318,637
<b>Total</b>	<b>34,751,779</b>	<b>34,751,779</b>

As we consider the error material we applied IAS 8 ('Accounting Policies, Changes in Accounting Estimates and Errors') and adjusted the comparative financial figures for the above accounts in the 2019 financial statements. The error does impact the classification of the results puttable shares and impact the result. The error doesn't impact the result or the NAV per share.

For previous years the same classification would apply and it would not impact the Net Asset Value for these years.

## VanEck Vectors™ Global Real Estate UCITS ETF

## Notes to the statement of financial position and statement of profit and loss and other comprehensive income

## 1. Cash and cash equivalents

At 31 December 2020 there are no restrictions on the use of the cash and cash equivalents.

The Foreign exchange rates as of 31 December 2020 are as follows:

Foreign currency	31 December 2020	Average of 2020	31 December 2019	Average of 2019
AUD	1.5856	1.6534	1.5969	1.6102
CAD	1.5588	1.5290	1.4556	1.4850
CHF	1.0816	1.0702	1.0870	1.1121
GBP	0.8951	0.8889	0.8474	0.8769
HKD	9.4873	8.8418	8.7463	8.7695
JPY	126.3255	121.7419	121.9877	121.9755
NOK	10.4760	10.7101	9.8638	9.8474
SEK	10.0485	10.4809	10.5078	10.5852
SGD	1.6171	1.5728	1.5094	1.5269
USD	1.2236	1.1400	1.1225	1.1192
ZAR	17.9725	18.6709	15.6965	16.1600

## VanEck Vectors™ Global Real Estate UCITS ETF

## 2. Investments

## Summary of changes in the investments according to characteristic of financial instrument

(amounts x € 1)	2020	2019
<b>Equity instruments</b>		
Opening balance	4,275,610	6,805,182
Purchases of investments	937,097	1,318,173
Sales of investments	(2,536,852)	(3,603,867)
Changes in value	(789,898)	(243,878)
<b>Closing balance equity instruments</b>	<b>1,885,957</b>	<b>4,275,610</b>
<b>Indirect real estate</b>		
Opening balance	238,496,741	180,515,510
Purchases of investments	56,343,016	67,480,048
Sales of investments	(150,189,615)	(44,219,567)
Changes in value	(50,383,165)	34,720,750
<b>Closing balance indirect real estate</b>	<b>94,266,977</b>	<b>238,496,741</b>
<b>Total investments</b>		
Opening balance	242,772,351	187,320,692
Purchases of investments	57,280,113	68,798,221
Sales of investments	(152,726,467)	(47,823,434)
Changes in value	(51,173,063)	34,476,872
<b>Closing balance total investments</b>	<b>96,152,934</b>	<b>242,772,351</b>

The table below provides an analysis of the financial instruments measured at fair value, per valuation method.

## Composition of investments according to valuation technique

(amounts x € 1)	2020	2019
Level 1	96,152,934	242,772,351
<b>Total</b>	<b>96,152,934</b>	<b>242,772,351</b>

All the investments of the Sub-fund are listed and therefore classified as level 1 investments.

## VanEck Vectors™ Global Real Estate UCITS ETF

## Composition of investments according to valuation technique

(amounts x € 1)	2020		
	Currency	Market value	% of NAV
<b>Equity instruments</b>			
Daiwa House Industry Co Ltd	JPY	1,885,957	2.0
<b>Total equity instruments</b>		<b>1,885,957</b>	<b>2.0</b>
<b>Indirect real estate</b>			
Prologis Inc	USD	6,988,704	7.2
Vonovia SE	EUR	3,663,946	3.8
Digital Realty Trust Inc	USD	3,595,643	3.7
Public Storage	USD	3,362,928	3.5
Welltower Inc	USD	2,579,571	2.7
Simon Property Group Inc	USD	2,482,393	2.6
AvalonBay Communities Inc	USD	2,147,852	2.2
Mitsubishi Estate Co Ltd	JPY	2,130,921	2.2
Realty Income Corp	USD	2,044,946	2.1
Alexandria Real Estate Equities Inc	USD	2,005,567	2.1
Other		63,264,506	65.6
<b>Total indirect real estate</b>		<b>94,266,977</b>	<b>97.7</b>
<b>Total investments</b>		<b>96,152,934</b>	<b>99.7</b>

## 3. Receivables

(amounts x € 1)	2020	2019
Dividend receivable	356,837	840,480
Dividend tax receivable	33,645	37,985
Securities transactions still to be settled	1,819	-
Other receivables	-	2,445
<b>Total</b>	<b>392,301</b>	<b>880,910</b>

## 4. Summary of changes in the assets under management

(amounts x € 1)	2020	2019
<b>Opening balance</b>	<b>243,892,660</b>	<b>188,119,771</b>
Issue of shares	44,002,530	46,803,835
Purchase of shares	(139,353,810)	(25,782,725)
Distribution	(6,179,106)	(7,566,858)
Interest income	727	1,721
Interest expense	(7,154)	(5,793)
Dividend income	5,721,188	8,426,163
Changes in the value of investments	(51,173,063)	34,476,872
Management fee	(384,007)	(558,060)
Exchange rate differences	(55,497)	(19,695)
Other expenses	(3,542)	(2,571)
<b>Closing balance</b>	<b>96,460,926</b>	<b>243,892,660</b>

## VanEck Vectors™ Global Real Estate UCITS ETF

During the financial closing of the 2020 annual report, an error was identified in the classification of the puttable shares as equity. Based on IAS 32.16A, the puttable shares should have been classified as a liability since the expected cash flows attributable over the life of the instrument and pro-rata claim in the event of the entity's liquidation is different per sub-fund. The error in the financial statements of 2019 resulted in the reclassification of the puttable instruments from equity to liability.

As we consider the error material we applied IAS 8 ('Accounting Policies, Changes in Accounting Estimates and Errors') and adjusted the equity amounts to liability in the comparative financial statements. The error does impact the classification of the results on puttable shares. The error doesn't impact the result or the NAV per share.

## 5. Other payables

(amounts x € 1)	2020	2019
Interest payable	163	-
Management costs payable	20,277	52,264
Dividend tax payable	99,088	57,255
Other short-term debts	135	4,602
<b>Total</b>	<b>119,663</b>	<b>114,121</b>

## 6. Related parties

A party is an related party if one party can exercise control over the other party or exert significant influence on the other party's financial and operational policy.

VanEck Asset Management B.V. is the Company's director according to the articles of association and acts as Manager of the Company.

The management costs include all costs relating to the management of a fund, such as the management fee, costs of the custodial bank and the payment office, the listing costs, auditor's fee, costs of the purchase and issue of shares, the costs of having the Sub-funds correspond to the relevant index and the administration costs. The management costs are deducted daily from the definitive Net Intrinsic Value of a share in a Sub-fund. The management costs for the period from 1 January 2020 to 31 December 2020 amount to € 384,007 (same period in 2019: € 558,060).

## 7. Risks with regard to the financial instruments

### Market risk

In terms of market risk, a distinction can be made between:

- Currency risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in exchange rates;
- Other price risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in market prices caused by factors that apply exclusively for the individual instrument or emitting party, or by factors that affect all instruments traded on the market;
- Interest rate risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in the market interest rate.

The notion of market risk encompasses not only the likelihood of losses, but also the likelihood of gains.



## VanEck Vectors™ Global Real Estate UCITS ETF

**Currency risk**

The fund has investments denominated in foreign currency and is therefore exposed to significant currency risk.

(amounts x € 1)				
2020			2019	
Currency	Amount	% of the NAV	Amount	% of the NAV
US dollar	53,598,731	55.6	140,230,263	57.5
Japanese yen	12,822,731	13.3	32,254,967	13.2
Euro	11,671,664	12.1	25,842,711	10.6
Other currencies	18,367,800	19.0	45,564,719	18.7
<b>Total</b>	<b>96,460,926</b>	<b>100.0</b>	<b>243,892,660</b>	<b>100.0</b>

A 5% increase in the relevant currency, starting on the statement of financial position date and applicable for every currency, would result in a profit increase for the reporting period as shown in the table below.

(amounts x € 1)				
2020			2019	
Currency	Amount	% of the NAV	Amount	% of the NAV
US dollar	2,679,937	2.8	7,011,513	2.9
Japanese yen	641,137	0.7	1,612,748	0.7

A 5% decrease in a currency would have an impact of the same magnitude in the opposite direction.

**Market risk**

The risk as a result of changes in market prices is limited by diversifying the investments in the portfolio as much as possible by region and sector.

**Portfolio distribution by sector**

(amounts x € 1)				
2020			2019	
Sector	Amount	% of the NAV	Amount	% of the NAV
Financial	93,432,457	96.9	236,580,565	97.0
Other sectors	2,720,477	2.8	6,191,786	2.5
<b>Total</b>	<b>96,152,934</b>	<b>99.7</b>	<b>242,772,351</b>	<b>99.5</b>

A 5% increase in the relevant sector, starting on the statement of financial position date and applicable for every sector, would result in a profit increase for the reporting period as shown in the table below.

## VanEck Vectors™ Global Real Estate UCITS ETF

(amounts x € 1)		2020		2019	
Sector	Amount	% of the NAV	Amount	% of the NAV	
Financial	4,671,623	4.8	11,829,028	4.9	

A 5% decrease in the sector would have an impact of the same magnitude in the opposite direction.

**Portfolio distribution by country**

(amounts x € 1)		2020		2019	
Country	Amount	% of the NAV	Amount	% of the NAV	
United States	53,570,461	55.6	138,591,540	56.8	
Japan	12,822,474	13.3	32,249,368	13.2	
Germany	7,948,589	8.2	12,734,331	5.2	
Other countries	21,811,410	22.6	59,197,112	24.3	
<b>Total</b>	<b>96,152,934</b>	<b>99.7</b>	<b>242,772,351</b>	<b>99.5</b>	

Country risk relates to uncertainty associates with investing in a certain country, which may be caused by political, economic, or technological influences. A 5% decrease in the relevant country, starting on the statement of financial position date and applicable for every country, would result in losses for the reporting period as shown in the table below.

(amounts x € 1)		2020		2019	
Country	Amount	% of the NAV	Amount	% of the NAV	
United States	2,678,523	2.8	6,929,577	2.8	
Japan	641,124	0.7	1,612,468	0.7	
Germany	397,429	0.4	636,717	0.3	

**Interest rate risk**

The Sub-fund does not invest in fixed-interest financial instruments and is consequently not exposed to significant interest rate risk.

**Credit risk**

Credit risk is the risk that the contract party in a financial instrument will not satisfy its obligation, which means the Sub-fund will have to recognise a financial loss. The amount that best represents the maximum credit risk is € 427,655 (2019: € 1,234,430).

The Sub-fund does not invest in monetary financial instruments and is consequently not exposed to significant credit risk.

**Liquidity risk**

Liquidity risk, also called funding risk, is the risk that the legal entity will be unable to secure the financial resources needed to satisfy obligations under the financial instruments. Liquidity risk can arise, for instance, if a financial asset cannot be sold at fair value in the short term.

## VanEck Vectors™ Global Real Estate UCITS ETF

Shares in the Sub-funds can be bought and sold on Euronext Amsterdam, whereby the Liquidity Provider ensures that there is both a bid and ask price at which the share can be traded. The Sub-fund's investments are likewise listed. Consequently the Sub-fund is not exposed to significant liquidity risk.

**8. Cost section****OCF (ongoing charges figure)**

The OCF is a measure of the ongoing costs charged to the Sub-fund during the reporting period. The following starting points are important for calculating the ongoing charges:

- The OCF shows the ratio of ongoing costs to average intrinsic value. The ongoing charges encompass all costs charged to the fund assets during the reporting period, with the exception of the spread applied for the entry and exit of shareholders, any performance fees and transaction costs of investments and interest charges on bank accounts. Performance fees must be presented separately, if applicable. No performance fee applies for the VanEck UCITS ETFs.
- The average intrinsic value is based on the intrinsic values on every day that the intrinsic value of the Sub-fund is determined during the reporting period.

(amounts x € 1.000)	2020	2019
<b>Average intrinsic value</b>	<b>153,032,702</b>	<b>223,142,336</b>
Total costs within the Sub fund	384,007	558,060
<b>OCF</b>	<b>0.25%</b>	<b>0.25%</b>

**Comparison of costs to prospectus over 2020 financial year**

(amounts x € 1)	Amount	%	Prospectus
Total costs within the Sub fund	384,007	0.25%	0.25%
<b>Total</b>	<b>384,007</b>	<b>0.25%</b>	<b>0.25%</b>

The percentage is calculated with respect to the average assets as used for the OCF.

**Portfolio Turnover ratio**

The Portfolio Turnover ratio (PTR) gives an indication of the turnover rate of the Sub-fund's portfolio. This indicator gives an impression of the relative transaction costs involved in the differences in portfolio management.

The PTR is calculated as follows:

$$[(\text{Total 1} - \text{Total 2}) / X] * 100$$

Total 1: the total amount in securities transactions (securities purchases + securities sales)

Total 2: the total amount in transactions (issue + purchases) of participation rights in the investment institution

X: the average intrinsic value of the investment institution.

An PTR of 17.3% is calculated using this formula (2019: 19.7%). This means that in 2020, purchases and sales took place in the amount of 0.2 times the average intrinsic value of the Sub-fund. This amount has been corrected for the regular purchases and sales performed on account of entries and exits.

# VanEck Vectors™ ETFs N.V.

Annual Report 2020

Serie H

VanEck Vectors™ iBoxx EUR Corporates UCITS ETF

# VanEck®

Access the opportunities.

## VanEck Vectors™ iBoxx EUR Corporates UCITS ETF

## General Information

## Investment policy

The aim of the VanEck Vectors™ iBoxx EUR Corporates UCITS ETF, Sub-fund H of VanEck Vectors™ ETFs N.V., is to follow the Markit iBoxx EUR Liquid Corporates Index as closely as possible.

The (general) criteria below apply to the (composition of the) Markit iBoxx EUR Liquid Corporates Index:

- the index consists of maximum 40 corporate bonds. These must be investment grade;
- zero coupon bonds, exotic bonds and callable bonds are excluded from selection for the index. These are plain vanilla bonds;
- the minimum remaining maturity is eighteen months;
- The minimum issue is 750 million euros;
- a maximum of one bond per company is selected;
- the reweighting takes place on the last day of February, May, August and November. The costs incurred in connection with the reweighting of the VanEck Vectors™ iBoxx EUR Corporates UCITS ETF are at the expense of this Sub-fund.
- the weighting is on the basis of the outstanding amount of the bonds.

## Key figures Series H: VanEck Vectors™ iBoxx EUR Corporates UCITS ETF

(amounts x € 1)	2020	2019	2018	2017	2016
<i>Summary per share<sup>8</sup></i>					
Changes in the value of investments	0.28	1.02	(0.38)	(0.10)	0.73
Direct returns	0.21	0.24	0.23	0.26	0.31
<b>Total operating income</b>	<b>0.49</b>	<b>1.26</b>	<b>(0.15)</b>	<b>0.16</b>	<b>1.04</b>
Management costs and interest charges	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)
Other expenses	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
<b>Total operating expenses</b>	<b>(0.03)</b>	<b>(0.03)</b>	<b>(0.03)</b>	<b>(0.03)</b>	<b>(0.03)</b>
Distribution	0.19	0.20	0.22	0.48	0.34
Fund assets	47,934,255	37,022,977	70,400,448	42,819,698	98,131,914
Number of outstanding shares	2,528,390	1,978,390	3,978,390	2,363,390	5,340,000
Intrinsic value per share	18.96	18.71	17.70	18.12	18.38
Fund performance	2.36%	6.90%	(1.11%)	1.22%	3.97%
Benchmark performance	2.43%	7.06%	(0.99%)	1.53%	4.13%

<sup>8</sup> The summary per share is calculated by dividing the result by average number of shares.

## 4.13 Financial statements VanEck Vectors™ iBoxx EUR Corporates UCITS ETF

### 4.13.1. Statement of financial position

(amounts x € 1)		2020	2019 (Restated)
<b>ASSETS</b>			
Cash and cash equivalents	{1}	83,145	43,811
<u>Investments</u>			
Debt instruments		47,589,046	36,758,630
<b>Investments</b>	{2}	<b>47,589,046</b>	<b>36,758,630</b>
Receivables	{3}	303,918	235,013
<b>Total assets</b>		<b>47,976,109</b>	<b>37,037,454</b>
<b>LIABILITIES</b>			
Other payables	{5}	41,854	14,477
<b>Net assets attributable to shareholders</b>	{4}	<b>47,934,255</b>	<b>37,022,977</b>
<b>Total liabilities</b>		<b>47,976,109</b>	<b>37,037,454</b>

The numbers next to the items refer to the notes to the statement of financial position and statement of profit and loss and other comprehensive income. The notes form an integral part of the financial statements.

**4.13.2. Statement of profit and loss and other comprehensive income**

(amounts x € 1)	2020	2019
<b>Investment result</b>		
Changes in the value of investments	1,682,271	2,226,805
Interest income	1,267,018	518,382
Interest expense	(10,529)	(1,479)
<b>Total investment result</b>	<b>2,938,760</b>	<b>2,743,708</b>
Management costs {8}	(169,727)	(63,390)
Transaction costs	(870)	(677)
<b>Total expenses</b>	<b>(170,597)</b>	<b>(64,067)</b>
<b>Distribution</b>	<b>(1,465,794)</b>	<b>(442,778)</b>
<b>Increase in the net assets attributable to shareholders</b>	<b>1,302,369</b>	<b>2,236,863</b>

The numbers next to the items refer to the notes to the statement of financial position and statement of profit and loss and other comprehensive income. The notes form an integral part of the financial statements.

**4.13.3. Statement of cash flows**

(amounts x € 1)	2020	2019
Purchases of investments	(317,670,788)	(38,415,196)
Sales of investments	308,522,643	71,268,849
Interest received	1,411,716	830,983
Interest paid	(224,048)	265,048
Management costs paid	(168,009)	(68,861)
Other expenses paid	(290)	(1,714)
<b>Cash flow from operating activities</b>	<b>(8,128,776)</b>	<b>33,879,109</b>
Issue of shares	249,376,698	16,457,561
Repurchase of shares	(239,767,789)	(52,071,895)
Distribution	(1,440,799)	(484,292)
<b>Net cash flow from financing activities</b>	<b>8,168,110</b>	<b>(36,098,626)</b>
<b>Net cash flow</b>	<b>39,334</b>	<b>(2,219,517)</b>
Cash and cash equivalents at beginning of the period	43,811	2,263,328
<b>Cash and cash equivalents at end of the period</b>	<b>83,145</b>	<b>43,811</b>

The notes form an integral part of the financial statements.

**4.13.4. Statement of changes in net assets attributable to shareholders**

(amounts x € 1)	2020	2019
<b>Net assets attributable to redeemable participating shareholders at the beginning of the financial year</b>	<b>37,022,977</b>	<b>70,400,448</b>
Proceeds from the issuance of redeemable participating shares	249,376,698	16,457,561
Payments for the redemption of redeemable participating shares	(239,767,789)	(52,071,895)
Increase/decrease in the net assets attributable to shareholders	1,302,369	2,236,863
<b>Net assets attributable to redeemable participating shareholders at the end of the financial year</b>	<b>47,934,255</b>	<b>37,022,977</b>
<b>Number of redeemable participating shares</b>		
Redeemable participating shares at the beginning of the financial year	1,978,390	3,978,390
Issuance of redeemable participating shares	13,580,000	895,000
Repurchase of redeemable participating shares	(13,030,000)	(2,895,000)
<b>Redeemable participating shares at the end of the financial year</b>	<b>2,528,390</b>	<b>1,978,390</b>



**4.13.5. Notes****Accounting policies**

For the accounting policies used for the financial statements, refer to the Company's accounting policies as set out in chapter 4.5.

**Correction of error**

During the financial closing of the 2020 annual report, an error was identified in the classification of the puttable shares as equity. Based on IAS 32.16A, the puttable shares should have been classified as a liability since the expected cash flows attributable over the life of the instrument and the pro-rata claim in the event of the fund's liquidation is different per sub-fund.

Carrying amount (amounts x € 1)	Original 2019	Restated 2019
<b>Statement of financial position as of 31 December</b>		
Equity	37,022,977	-
Net assets attributable to shareholders	-	37,022,977
<b>Total</b>	<b>37,022,977</b>	<b>37,022,977</b>
<b>Statement of profit and loss and other comprehensive income</b>		
Distribution	-	(442,778)
Total Result	2,236,863	-
Increase in the net assets attributable to shareholders	-	2,679,641
<b>Total</b>	<b>2,236,863</b>	<b>2,236,863</b>

As we consider the error material we applied IAS 8 ('Accounting Policies, Changes in Accounting Estimates and Errors') and adjusted the comparative financial figures for the above accounts in the 2019 financial statements. The error does impact the classification of the results puttable shares and impact the result. The error doesn't impact the result or the NAV per share.

For previous years the same classification would apply and it would not impact the Net Asset Value for these years.

## Notes to the statement of financial position and statement of profit and loss and other comprehensive income

## 1. Cash and cash equivalents

At 31 December 2020 there are no restrictions on the use of the cash and cash equivalents.

## 2. Investments

## Summary of changes in the investments according to characteristic of financial instrument

(amounts x € 1)	2020	2019
<b>Debt instruments</b>		
Opening balance	36,758,630	69,890,366
Purchases of investments	317,670,788	35,910,308
Sales of investments	(308,522,643)	(71,268,849)
Changes in value	1,682,271	2,226,805
<b>Closing balance debt instruments</b>	<b>47,589,046</b>	<b>36,758,630</b>

The table below provides an analysis of the financial instruments measured at fair value, per valuation method.

## Composition of investments according to valuation technique

(amounts x € 1)	2020	2019
Level 1	47,589,046	36,758,630
<b>Total</b>	<b>47,589,046</b>	<b>36,758,630</b>

All the investments of the Sub-fund are listed and therefore classified as level 1 investments.

## VanEck Vectors™ iBoxx EUR Corporates UCITS ETF

## Composition of investments according to valuation technique

(amounts x € 1)		2020	
	Currency	Market value	% of NAV
<b>Debt instruments</b>			
ANHEUSER-BUSCH INBEV SA/ 1.15% 22/1/2027	EUR	2,089,443	4.4
NOVARTIS FINANCE SA 0% 23/9/2028	EUR	1,931,189	4.0
DAIMLER INTL FINANCE BV 0.25% 6/11/2023	EUR	1,843,552	3.9
DH EUROPE FINANCE 0.75% 18/9/2031	EUR	1,836,920	3.9
IBM CORP 0.375% 31/1/2023	EUR	1,822,517	3.8
AT&T INC 1.6% 19/5/2028	EUR	1,817,560	3.8
TAKEDA PHARMACEUTICAL 3% 21/11/2030	EUR	1,561,101	3.3
DNB BANK ASA 0.05% 14/11/2023	EUR	1,459,351	3.0
JPMORGAN CHASE & CO 1.09% 11/3/2027	EUR	1,447,958	3.0
MORGAN STANLEY 1.875% 27/4/2027	EUR	1,434,278	3.0
BARCLAYS PLC 3.375% 2/4/2025	EUR	1,421,903	3.0
CREDIT SUISSE GROUP AG 3.25% 2/4/2026	EUR	1,417,708	3.0
GOLDMAN SACHS GROUP INC 3.375% 27/3/2025	EUR	1,414,561	3.0
BMW FINANCE NV 0.375% 10/7/2023	EUR	1,389,498	2.9
DEUTSCHE TELEKOM AG 0.5% 5/7/2027	EUR	1,296,079	2.7
CITIGROUP INC 1.5% 24/7/2026	EUR	1,252,901	2.6
VOLKSWAGEN LEASING GMBH 0.5% 20/6/2022	EUR	1,120,821	2.3
DEUTSCHE BAHN FIN GMBH 1.125% 18/12/2028	EUR	1,111,248	2.3
BASF SE 0.875% 15/11/2027	EUR	1,109,238	2.3
LLOYDS BANKING GROUP PLC 3.5% 1/4/2026	EUR	1,076,776	2.2
TORONTO-DOMINION BANK 0.625% 20/7/2023	EUR	1,064,561	2.2
ONTARIO TEACHERS' FINANC 0.5% 6/5/2025	EUR	1,063,430	2.2
WELLS FARGO & COMPANY 1.5% 24/5/2027	EUR	1,057,918	2.2
ABN AMRO BANK NV 0.875% 15/1/2024	EUR	1,056,070	2.2
NESTLE FINANCE INTL LTD 0.375% 12/5/2032	EUR	1,013,585	2.2
OMV AG 1% 14/12/2026	EUR	1,004,502	2.1
SIEMENS FINANCIERINGSMAT 1.375% 6/9/2030	EUR	1,001,174	2.1
COMMERZBANK AG 1% 4/3/2026	EUR	910,544	1.9
E.ON SE 0.35% 28/2/2030	EUR	839,850	1.8
RCI BANQUE SA 1.625% 26/5/2026	EUR	838,802	1.7
WUERTH FINANCE INTL BV 0.75% 22/11/2027	EUR	836,248	1.7
KNORR-BREMSE AG 1.125% 13/6/2025	EUR	835,702	1.7
DEUTSCHE POST AG 1.625% 5/12/2028	EUR	825,044	1.7
CONTINENTAL AG 2.5% 27/8/2026	EUR	822,913	1.7
FRESENIUS MEDICAL CARE A 1.5% 29/5/2030	EUR	822,050	1.7
HEIDELBERGCEMENT FIN LUX 1.75% 24/4/2028	EUR	813,642	1.7
BANK OF AMERICA CORP 0.58% 8/8/2029	EUR	781,338	1.6
FRESENIUS SE & CO KGAA 0.75% 15/1/2028	EUR	736,197	1.5
DEUTSCHE BANK AG 1.125% 30/8/2023	EUR	707,391	1.5
COOPERATIEVE RABOBANK UA 0.5% 6/12/2022	EUR	703,483	1.5
<b>Total debt instruments</b>		<b>47,589,046</b>	<b>99.3</b>
<b>Total investments</b>		<b>47,589,046</b>	<b>99.3</b>

**3. Receivables**

(amounts x € 1)	2020	2019
Accrued interest on bonds	303,918	235,013
<b>Total</b>	<b>303,918</b>	<b>235,013</b>

**4. Summary of changes in the assets under management**

(amounts x € 1)	2020	2019
<b>Opening balance</b>	<b>37,022,977</b>	<b>70,400,448</b>
Issue of shares	249,376,698	16,457,561
Purchase of shares	(239,767,789)	(52,071,895)
Distribution	(1,465,794)	(442,778)
Interest income	1,267,018	518,382
Interest expense	(10,529)	(1,479)
Changes in the value of investments	1,682,271	2,226,805
Management fee	(169,727)	(63,390)
Other expenses	(870)	(677)
<b>Closing balance</b>	<b>47,934,255</b>	<b>37,022,977</b>

During the financial closing of the 2020 annual report, an error was identified in the classification of the puttable shares as equity. Based on IAS 32.16A, the puttable shares should have been classified as a liability since the expected cash flows attributable over the life of the instrument and pro-rata claim in the event of the entity's liquidation is different per sub-fund. The error in the financial statements of 2019 resulted in the reclassification of the puttable instruments from equity to liability.

As we consider the error material we applied IAS 8 ('Accounting Policies, Changes in Accounting Estimates and Errors') and adjusted the equity amounts to liability in the comparative financial statements. The error does impact the classification of the results on puttable shares. The error doesn't impact the result or the NAV per share.

**5. Other payables**

(amounts x € 1)	2020	2019
Interest payable	84	-
Management costs payable	6,579	4,861
Dividend tax payable	33,736	8,741
Other short-term debts	1,455	875
<b>Total</b>	<b>41,854</b>	<b>14,477</b>

## VanEck Vectors™ iBoxx EUR Corporates UCITS ETF

**6. Related parties**

A party is an related party if one party can exercise control over the other party or exert significant influence on the other party's financial and operational policy.

VanEck Asset Management B.V. is the Company's director according to the articles of association and acts as Manager of the Company.

The management costs include all costs relating to the management of a fund, such as the management fee, costs of the custodial bank and the payment office, the listing costs, auditor's fee, costs of the purchase and issue of shares, the costs of having the Sub-funds correspond to the relevant index and the administration costs. The management costs are deducted daily from the definitive Net Intrinsic Value of a share in a Sub-fund. The management costs for the period from 1 January 2020 to 31 December 2020 amount to € 169,727 (same period in 2019: € 63,390).

**7. Risks with regard to the financial instruments****Market risk**

In terms of market risk, a distinction can be made between:

- Currency risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in exchange rates;
- Other price risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in market prices caused by factors that apply exclusively for the individual instrument or emitting party, or by factors that affect all instruments traded on the market;
- Interest rate risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in the market interest rate.

The notion of market risk encompasses not only the likelihood of losses, but also the likelihood of gains.

**Currency risk**

The Sub-fund only has euro investments and is consequently not exposed to significant currency risk.

**Market risk**

The risk as a result of changes in market prices is limited by diversifying the investments in the portfolio as much as possible by region and sector.

**Portfolio distribution by sector**

(amounts x € 1)				
	2020		2019	
Sector	Amount	% of the NAV	Amount	% of the NAV
Financial	18,270,173	38.1	15,033,787	40.6
Non-cyclical consumer goods	9,990,485	20.8	5,506,050	14.9
Cyclical consumer goods	6,851,288	14.3	5,813,787	15.7
Industrial	4,587,355	9.6	1,950,770	5.3
Communications	3,113,638	6.5	3,625,227	9.8
Other sectors	4,776,107	10.0	4,829,009	13.0
<b>Total</b>	<b>47,589,046</b>	<b>99.3</b>	<b>36,758,630</b>	<b>99.3</b>

## VanEck Vectors™ iBoxx EUR Corporates UCITS ETF

A 5% increase in the relevant sector, starting on the statement of financial position date and applicable for every sector, would result in a profit increase for the reporting period as shown in the table below.

(amounts x € 1)				
2020			2019	
Sector	Amount	% of the NAV	Amount	% of the NAV
Financial	913,509	1.9	751,689	2.0
Non-cyclical consumer goods	499,524	1.0	275,303	0.7
Cyclical consumer goods	342,564	0.7	290,689	0.8
Industrial	229,368	0.5	97,539	0.3
Communications	155,682	0.3	181,261	0.5

A 5% decrease in the sector would have an impact of the same magnitude in the opposite direction.

## Portfolio distribution by country

(amounts x € 1)				
2020			2019	
Country	Amount	% of the NAV	Amount	% of the NAV
Germany	11,137,077	23.3	5,452,028	14.9
United States	10,247,693	21.4	9,043,284	24.4
Netherlands	6,830,025	14.2	7,607,976	20.5
Luxembourg	6,376,673	13.3	5,338,017	14.4
United Kingdom	2,498,679	5.2	2,047,288	5.5
Other countries	10,498,899	21.9	7,270,037	19.6
<b>Total</b>	<b>47,589,046</b>	<b>99.3</b>	<b>36,758,630</b>	<b>99.3</b>

Country risk relates to uncertainty associates with investing in a certain country, which may be caused by political, economic, or technological influences. A 5% decrease in the relevant country, starting on the statement of financial position date and applicable for every country, would result in losses for the reporting period as shown in the table below.

(amounts x € 1)				
2020			2019	
Country	Amount	% of the NAV	Amount	% of the NAV
Germany	556,854	1.2	272,601	0.7
United States	512,385	1.1	452,164	1.2
Luxembourg	318,834	0.7	266,901	0.7
United Kingdom	124,934	0.3	102,364	0.3

## VanEck Vectors™ iBoxx EUR Corporates UCITS ETF

**Interest rate risk**

The company invests in fixed-interest financial instruments and is consequently exposed to interest rate risk.

(amounts x € 1)	<= 1 year	<= 5 years	> 5 years	Not interest bearing	Total 2020
<b>Assets</b>					
Investments	-	23,226,987	24,362,059	-	47,589,046
Cash and cash equivalents	83,145	-	-	-	83,145
Receivables	-	-	-	303,918	303,918
<b>Total assets</b>	<b>83,145</b>	<b>23,226,987</b>	<b>24,362,059</b>	<b>303,918</b>	<b>47,976,109</b>
<b>Liabilities</b>					
Other payables	-	-	-	41,854	41,854
<b>Equity</b>					
Shares	-	-	-	47,934,255	47,934,255
<b>Total equity and liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,976,109</b>	<b>47,976,109</b>
<b>Total</b>	<b>83,145</b>	<b>23,226,987</b>	<b>24,362,059</b>	<b>(47,672,191)</b>	<b>-</b>

(amounts x € 1)	<= 1 year	<= 5 years	> 5 years	Not interest bearing	Total 2019
<b>Assets</b>					
Investments	-	17,582,979	19,175,651	-	36,758,630
Cash and cash equivalents	43,811	-	-	-	43,811
Receivables	-	-	-	235,013	235,013
<b>Total assets</b>	<b>43,811</b>	<b>17,582,979</b>	<b>19,175,651</b>	<b>235,013</b>	<b>37,037,454</b>
<b>Liabilities</b>					
Other payables	-	-	-	14,477	14,477
<b>Equity</b>					
Shares	-	-	-	37,022,977	37,022,977
<b>Total equity and liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,037,454</b>	<b>37,037,454</b>
<b>Total</b>	<b>43,811</b>	<b>17,582,979</b>	<b>19,175,651</b>	<b>(36,802,441)</b>	<b>-</b>

All other variables remaining the same, a 100-basis point decline in the interest rates effective as of the statement of financial position date would result in a € 2,585,135 increase in the profit for the reporting period (2019: € 1,990,419). A 100-basis point rise in the interest rates effective as of the statement of financial position date would result in a € 2,585,135 decrease in the profit for the reporting period.

## VanEck Vectors™ iBoxx EUR Corporates UCITS ETF

(amounts x € 1)	0-1%	1-3%	3-5%	>5%	Total 2020
<b>Assets</b>					
Bonds	23,818,973	18,439,124	5,330,949	-	47,589,046
<b>Total assets</b>	<b>23,818,973</b>	<b>18,439,124</b>	<b>5,330,949</b>	<b>-</b>	<b>47,589,046</b>

(amounts x € 1)	0-1%	1-3%	3-5%	>5%	Total 2019
<b>Assets</b>					
Bonds	16,378,107	19,362,063	1,018,460	-	36,758,630
<b>Total assets</b>	<b>16,378,107</b>	<b>19,362,063</b>	<b>1,018,460</b>	<b>-</b>	<b>36,758,630</b>

**Credit risk**

Credit risk is the risk that the contract party in a financial instrument will not satisfy its obligation, which means the Sub-fund will have to recognise a financial loss. The amount that best represents the maximum credit risk is € 47,976,109 (2019: € 37,037,454).

The Sub-fund invests in monetary financial instruments and is consequently exposed to significant credit risk. The table below shows the concentrations of credit risk of the investments in bonds.

(amounts x € 1)	2020		2019	
Credit rating	Amount	% of the NAV	Amount	% of the NAV
AA	7,643,364	15.9	3,285,674	8.9
A	12,812,771	26.7	19,245,461	52.0
BBB	27,132,911	56.6	14,227,495	38.4
<b>Total</b>	<b>47,589,046</b>	<b>99.2</b>	<b>36,758,630</b>	<b>99.3</b>

**Liquidity risk**

Liquidity risk, also called funding risk, is the risk that the legal entity will be unable to secure the financial resources needed to satisfy obligations under the financial instruments. Liquidity risk can arise, for instance, if a financial asset cannot be sold at fair value in the short term.

Shares in the Sub-funds can be bought and sold on Euronext Amsterdam, whereby the Liquidity Provider ensures that there is both a bid and ask price at which the share can be traded. The Sub-fund's investments are likewise listed. Consequently the Sub-fund is not exposed to significant liquidity risk.



## VanEck Vectors™ iBoxx EUR Corporates UCITS ETF

**8. Cost section****OCF (ongoing charges figure)**

The OCF is a measure of the ongoing costs charged to the Sub-fund during the reporting period. The following starting points are important for calculating the ongoing charges:

- The OCF shows the ratio of ongoing costs to average intrinsic value. The ongoing charges encompass all costs charged to the fund assets during the reporting period, with the exception of the spread applied for the entry and exit of shareholders, any performance fees and transaction costs of investments and interest charges on bank accounts. Performance fees must be presented separately, if applicable. No performance fee applies for the VanEck UCITS ETFs.
- The average intrinsic value is based on the intrinsic values on every day that the intrinsic value of the Sub-fund is determined during the reporting period.

(amounts x € 1.000)	2020	2019
<b>Average intrinsic value</b>	<b>111,725,186</b>	<b>40,715,653</b>
Total costs within the Sub fund	169,727	63,390
<b>OCF</b>	<b>0.15%</b>	<b>0.15%</b>

**Comparison of costs to prospectus over 2020 financial year**

(amounts x € 1)	Amount	%	Prospectus
Total costs within the Sub fund	169,727	0.15%	0.15%
<b>Total</b>	<b>169,727</b>	<b>0.15%</b>	<b>0.15%</b>

The percentage is calculated with respect to the average assets as used for the OCF.

**Portfolio Turnover ratio**

The Portfolio Turnover ratio (PTR) gives an indication of the turnover rate of the Sub-fund's portfolio. This indicator gives an impression of the relative transaction costs involved in the differences in portfolio management.

The PTR is calculated as follows:

$$[(\text{Total 1} - \text{Total 2}) / X] * 100$$

Total 1: the total amount in securities transactions (securities purchases + securities sales)

Total 2: the total amount in transactions (issue + purchases) of participation rights in the investment institution

X: the average intrinsic value of the investment institution.

An PTR of 125.4% is calculated using this formula (2019: 96.4%). This means that in 2020, purchases and sales took place in the amount of 1.3 times the average intrinsic value of the Sub-fund. This amount has been corrected for the regular purchases and sales performed on account of entries and exits.

# VanEck Vectors™ ETFs N.V.

Annual Report 2020

Serie I

VanEck Vectors™ iBoxx EUR Sovereign diversified 1-10 UCITS ETF

# VanEck®

Access the opportunities.

## VanEck Vectors™ iBoxx EUR Sovereign Diversified 1-10 UCITS ETF

## General Information

## Investment policy

The aim of the VanEck Vectors™ iBoxx EUR Sovereign Diversified 1-10 UCITS ETF is to follow the Markit iBoxx EUR Liquid Sovereign Diversified 1-10 Index as closely as possible.

The (general) criteria below apply to the (composition of the) Markit iBoxx EUR Liquid Sovereign Diversified 1-10 Index:

- the index consists of maximum 25 European government bonds with a maturity of 1 to 10 years, listed in euros;
- the bonds have a minimum issue of 2 billion;
- at the moment of selection and reweighting, the bonds have a minimum remaining maturity of 18 months;
- the weighting is on the basis of the outstanding amount of the bonds.
- the government bonds must pay a fixed coupon, 'plain vanilla bonds';
- the number of bonds per country is capped at 4;
- the weight per country in the Index is maximum 20%;
- the reweighting takes place on the last day of January, April, July and October. The costs incurred in connection with the reweighting of the VanEck Vectors™ iBoxx EUR Sovereign Diversified 1-10 UCITS ETF are at the expense of this Sub-fund.

## Key figures Series I: VanEck Vectors™ iBoxx EUR Sovereign Diversified 1-10 UCITS ETF

(amounts x € 1)	2020	2019	2018	2017	2016
<i>Summary per share<sup>9</sup></i>					
Changes in the value of investments	0.20	0.67	0.57	(0.40)	0.47
Direct returns	0.12	0.13	0.14	0.21	0.26
<b>Total operating income</b>	<b>0.32</b>	<b>0.80</b>	<b>0.71</b>	<b>(0.19)</b>	<b>0.73</b>
Management costs and interest charges	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Other expenses	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
<b>Total operating expenses</b>	<b>(0.02)</b>	<b>(0.02)</b>	<b>(0.02)</b>	<b>(0.02)</b>	<b>(0.02)</b>
Distribution	0.11	0.05	0.20	0.27	0.31
Fund assets	36,723,087	32,944,262	136,685,704	53,970,885	215,429,045
Number of outstanding shares	2,486,537	2,291,537	9,961,537	3,916,537	15,385,000
Intrinsic value per share	14.77	14.38	13.72	13.78	14.00
Fund performance	3.51%	5.14%	1.04%	0.35%	2.87%
Benchmark performance	3.66%	5.24%	1.17%	0.52%	3.05%

<sup>9</sup> The summary per share is calculated by dividing the result by average number of shares.

## 4.14 Financial statements VanEck Vectors™ iBoxx EUR Sovereign Diversified 1-10 UCITS ETF

### 4.14.1. Statement of financial position

(amounts x € 1)		2020	2019 (Restated)
<b>ASSETS</b>			
Cash and cash equivalents	{1}	74,458	69,076
<u>Investments</u>			
Debt instruments		36,581,628	32,766,308
<b>Investments</b>	{2}	<b>36,581,628</b>	<b>32,766,308</b>
Receivables	{3}	96,613	116,756
<b>Total assets</b>		<b>36,752,699</b>	<b>32,952,140</b>
<b>LIABILITIES</b>			
Other payables	{5}	29,612	7,878
<b>Net assets attributable to shareholders</b>	{4}	<b>36,723,087</b>	<b>32,944,262</b>
<b>Total liabilities</b>		<b>36,752,699</b>	<b>32,952,140</b>

The numbers next to the items refer to the notes to the statement of financial position and statement of profit and loss and other comprehensive income. The notes form an integral part of the financial statements.

**4.14.2. Statement of profit and loss and other comprehensive income**

(amounts x € 1)	2020	2019 (Restated)
<b>Investment result</b>		
Changes in the value of investments	713,930	1,985,564
Interest income	430,408	374,531
Interest expense	(2,328)	(785)
<b>Total investment result</b>	<b>1,142,010</b>	<b>2,359,310</b>
Management costs {8}	(79,060)	(62,632)
Transaction costs	(720)	(316)
<b>Total expenses</b>	<b>(79,780)</b>	<b>(62,948)</b>
<b>Distribution</b>	<b>(430,769)</b>	<b>(108,327)</b>
<b>Increase in the net assets attributable to shareholders</b>	<b>631,461</b>	<b>2,188,035</b>

The numbers next to the items refer to the notes to the statement of financial position and statement of profit and loss and other comprehensive income. The notes form an integral part of the financial statements.

**4.14.3. Statement of cash flows**

(amounts x € 1)	2020	2019
Purchases of investments	(107,027,203)	(29,747,028)
Sales of investments	103,925,813	135,313,234
Interest received	450,551	283,079
Interest paid	(2,209)	420,394
Management costs paid	(78,565)	(78,569)
Other expenses paid	(436)	(3,162)
<b>Cash flow from operating activities</b>	<b>(2,732,049)</b>	<b>106,187,948</b>
Issue of shares	55,075,511	13,179,004
Repurchase of shares	(51,928,147)	(119,108,481)
Distribution	(409,933)	(218,250)
<b>Net cash flow from financing activities</b>	<b>2,737,431</b>	<b>(106,147,727)</b>
<b>Net cash flow</b>	<b>5,382</b>	<b>40,221</b>
Cash and cash equivalents at beginning of the period	69,076	28,855
<b>Cash and cash equivalents at end of the period</b>	<b>74,458</b>	<b>69,076</b>

The notes form an integral part of the financial statements.

**4.14.4. Statement of changes in net assets attributable to shareholders**

(amounts x € 1)	2020	2019
<b>Net assets attributable to redeemable participating shareholders at the beginning of the financial year</b>	<b>32,944,262</b>	<b>136,685,704</b>
Proceeds from the issuance of redeemable participating shares	55,075,511	13,179,004
Payments for the redemption of redeemable participating shares	(51,928,147)	(119,108,481)
Increase/decrease in the net assets attributable to shareholders	631,461	2,188,035
<b>Net assets attributable to redeemable participating shareholders at the end of the financial year</b>	<b>36,723,087</b>	<b>32,944,262</b>
<b>Number of redeemable participating shares</b>		
Redeemable participating shares at the beginning of the financial year	2,291,537	9,961,537
Issuance of redeemable participating shares	3,780,000	740,000
Repurchase of redeemable participating shares	(3,585,000)	(8,410,000)
<b>Redeemable participating shares at the end of the financial year</b>	<b>2,486,537</b>	<b>2,291,537</b>

**4.14.5. Notes****Accounting policies**

For the accounting policies used for the financial statements, refer to the Company's accounting policies as set out in chapter 4.5.

**Correction of error**

During the financial closing of the 2020 annual report, an error was identified in the classification of the puttable shares as equity. Based on IAS 32.16A, the puttable shares should have been classified as a liability since the expected cash flows attributable over the life of the instrument and the pro-rata claim in the event of the fund's liquidation is different per sub-fund.

Carrying amount (amounts x € 1)	Original 2019	Restated 2019
<b>Statement of financial position as of 31 December</b>		
Equity	32,944,262	-
Net assets attributable to shareholders	-	32,944,262
<b>Total</b>	<b>32,944,262</b>	<b>32,944,262</b>
<b>Statement of profit and loss and other comprehensive income</b>		
Distribution	-	(108,327)
Total Result	2,188,035	-
Increase in the net assets attributable to shareholders	-	2,296,362
<b>Total</b>	<b>2,188,035</b>	<b>2,188,035</b>

As we consider the error material we applied IAS 8 ('Accounting Policies, Changes in Accounting Estimates and Errors') and adjusted the comparative financial figures for the above accounts in the 2019 financial statements. The error does impact the classification of the results puttable shares and impact the result. The error doesn't impact the result or the NAV per share.

For previous years the same classification would apply and it would not impact the Net Asset Value for these years.

## VanEck Vectors™ iBoxx EUR Sovereign Diversified 1-10 UCITS ETF

## Notes to the statement of financial position and statement of profit and loss and other comprehensive income

## 1. Cash and cash equivalents

At 31 December 2020 there are no restrictions on the use of the cash and cash equivalents.

## 2. Investments

## Summary of changes in the investments according to characteristic of financial instrument

(amounts x € 1)	2020	2019
<b>Debt instruments</b>		
Opening balance	32,766,308	136,346,950
Purchases of investments	107,027,203	29,747,028
Sales of investments	(103,925,813)	(135,313,234)
Changes in value	713,930	1,985,564
<b>Closing balance debt instruments</b>	<b>36,581,628</b>	<b>32,766,308</b>

The table below provides an analysis of the financial instruments measured at fair value, per valuation method.

## Composition of investments according to valuation technique

(amounts x € 1)	2020	2019
Level 1	36,581,628	32,766,308
<b>Total</b>	<b>36,581,628</b>	<b>32,766,308</b>

All the investments of the Sub-fund are listed and therefore classified as level 1 investments.



## VanEck Vectors™ iBoxx EUR Sovereign Diversified 1-10 UCITS ETF

## Composition of investments according to valuation technique

(amounts x € 1)	2020		
	Currency	Market value	% of NAV
<b>Debt instruments</b>			
FRANCE (GOVT OF) 0.75% 25/5/2028	EUR	2,000,474	5.5
BUNDESREPUB. DEUTSCHLAND 0.25% 15/2/2027	EUR	1,933,137	5.3
BUNDESREPUB. DEUTSCHLAND 0.5% 15/8/2027	EUR	1,921,526	5.2
FRANCE (GOVT OF) 0% 25/3/2025	EUR	1,869,457	5.1
FRANCE (GOVT OF) 0.75% 25/11/2028	EUR	1,756,430	4.8
BUNDESREPUB. DEUTSCHLAND 0% 15/8/2030	EUR	1,741,722	4.7
BONOS Y OBLIG DEL ESTADO 1.25% 31/10/2030	EUR	1,719,150	4.7
BUONI POLIENNALI DEL TES 3% 1/8/2029	EUR	1,705,849	4.6
BUNDESREPUB. DEUTSCHLAND 0% 15/8/2029	EUR	1,672,329	4.6
FRANCE (GOVT OF) 0% 25/11/2029	EUR	1,666,129	4.5
BUONI POLIENNALI DEL TES 2% 1/2/2028	EUR	1,640,791	4.5
BUONI POLIENNALI DEL TES 1.65% 1/12/2030	EUR	1,625,681	4.4
BONOS Y OBLIG DEL ESTADO 1.45% 31/10/2027	EUR	1,581,239	4.3
BONOS Y OBLIG DEL ESTADO 1.4% 30/4/2028	EUR	1,567,243	4.3
BUONI POLIENNALI DEL TES 1.35% 1/4/2030	EUR	1,527,379	4.2
BONOS Y OBLIG DEL ESTADO 0% 30/4/2023	EUR	1,517,359	4.1
BELGIUM KINGDOM 0.9% 22/6/2029	EUR	1,163,956	3.2
NETHERLANDS GOVERNMENT 0.75% 15/7/2027	EUR	1,134,588	3.1
NETHERLANDS GOVERNMENT 0.75% 15/7/2028	EUR	1,079,822	2.9
BELGIUM KINGDOM 0.8% 22/6/2027	EUR	1,006,034	2.7
BELGIUM KINGDOM 0.8% 22/6/2028	EUR	1,001,759	2.7
NETHERLANDS GOVERNMENT 0% 15/1/2024	EUR	1,001,697	2.7
BELGIUM KINGDOM 0.5% 22/10/2024	EUR	936,557	2.6
OBRIGACOES DO TESOURO 2.125% 17/10/2028	EUR	925,659	2.5
NETHERLANDS GOVERNMENT 0% 15/7/2030	EUR	885,661	2.4
<b>Total debt instruments</b>		<b>36,581,628</b>	<b>99.6</b>
<b>Total investments</b>		<b>36,581,628</b>	<b>99.6</b>

## 3. Receivables

(amounts x € 1)	2020	2019
Accrued interest on bonds	96,613	116,756
<b>Total</b>	<b>96,613</b>	<b>116,756</b>

**4. Summary of changes in the assets under management**

(amounts x € 1)	2020	2019
<b>Opening balance</b>	<b>32,944,262</b>	<b>136,685,704</b>
Issue of shares	55,075,511	13,179,004
Purchase of shares	(51,928,147)	(119,108,481)
Distribution	(430,769)	(108,327)
Interest income	430,408	374,531
Interest expense	(2,328)	(785)
Changes in the value of investments	713,930	1,985,564
Management fee	(79,060)	(62,632)
Other expenses	(720)	(316)
<b>Closing balance</b>	<b>36,723,087</b>	<b>32,944,262</b>

During the financial closing of the 2020 annual report, an error was identified in the classification of the puttable shares as equity. Based on IAS 32.16A, the puttable shares should have been classified as a liability since the expected cash flows attributable over the life of the instrument and pro-rata claim in the event of the entity's liquidation is different per sub-fund. The error in the financial statements of 2019 resulted in the reclassification of the puttable instruments from equity to liability.

As we consider the error material we applied IAS 8 ('Accounting Policies, Changes in Accounting Estimates and Errors') and adjusted the equity amounts to liability in the comparative financial statements. The error does impact the classification of the results on puttable shares. The error doesn't impact the result or the NAV per share.

**5. Other payables**

(amounts x € 1)	2020	2019
Interest payable	119	-
Management costs payable	4,817	4,322
Dividend tax payable	23,776	2,940
Other short-term debts	900	616
<b>Total</b>	<b>29,612</b>	<b>7,878</b>

**6. Related parties**

A party is an related party if one party can exercise control over the other party or exert significant influence on the other party's financial and operational policy.

VanEck Asset Management B.V. is the Company's director according to the articles of association and acts as Manager of the Company.

The management costs include all costs relating to the management of a fund, such as the management fee, costs of the custodial bank and the payment office, the listing costs, auditor's fee, costs of the purchase and issue of shares, the costs of having the Sub-funds correspond to the relevant index and the administration costs. The management costs are deducted daily from the definitive Net Intrinsic Value of a share in a Sub-fund. The management costs for the period from 1 January 2020 to 31 December 2020 amount to € 79,060 (same period in 2019: € 62,632).

## VanEck Vectors™ iBoxx EUR Sovereign Diversified 1-10 UCITS ETF

## 7. Risks with regard to the financial instruments

## Market risk

In terms of market risk, a distinction can be made between:

- Currency risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in exchange rates;
- Other price risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in market prices caused by factors that apply exclusively for the individual instrument or emitting party, or by factors that affect all instruments traded on the market;
- Interest rate risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in the market interest rate.

The notion of market risk encompasses not only the likelihood of losses, but also the likelihood of gains.

## Currency risk

The Sub-fund only has euro investments and is consequently not exposed to significant currency risk.

## Market risk

The risk as a result of changes in market prices is limited by diversifying the investments in the portfolio as much as possible by region and sector.

## Portfolio distribution by country

(amounts x € 1)		2020		2019	
Country	Amount	% of the NAV	Amount	% of the NAV	
France	7,292,490	19.8	6,544,155	19.9	
Germany	7,268,714	19.8	6,557,039	19.9	
Italy	6,499,701	17.7	5,507,564	16.7	
Spain	6,384,991	17.4	5,791,614	17.6	
Belgium	4,108,305	11.2	3,725,531	11.3	
Netherlands	4,101,768	11.2	3,904,923	11.9	
Other countries	925,659	2.5	735,482	2.2	
<b>Total</b>	<b>36,581,628</b>	<b>99.6</b>	<b>32,766,308</b>	<b>99.5</b>	

Country risk relates to uncertainty associates with investing in a certain country, which may be caused by political, economic, or technological influences. A 5% decrease in the relevant country, starting on the statement of financial position date and applicable for every country, would result in losses for the reporting period as shown in the table below.

(amounts x € 1)		2020		2019	
Country	Amount	% of the NAV	Amount	% of the NAV	
France	364,625	1.0	327,208	1.0	
Germany	363,436	1.0	327,852	1.0	
Italy	324,985	0.9	275,378	0.8	
Spain	319,250	0.9	289,581	0.9	
Belgium	205,415	0.6	186,277	0.6	
Netherlands	205,088	0.6	195,246	0.6	

## VanEck Vectors™ iBoxx EUR Sovereign Diversified 1-10 UCITS ETF

**Interest rate risk**

The company invests in fixed-interest financial instruments and is consequently exposed to interest rate risk.

(amounts x € 1)	<= 1 year	<= 5 years	> 5 years	Not interest bearing	Total 2020
<b>Assets</b>					
Investments	-	5,325,070	31,256,558	-	36,581,628
Cash and cash equivalents	74,458	-	-	-	74,458
Receivables	-	-	-	96,613	96,613
<b>Total assets</b>	<b>74,458</b>	<b>5,325,070</b>	<b>31,256,558</b>	<b>96,613</b>	<b>36,752,699</b>
<b>Liabilities</b>					
Other payables	-	-	-	29,612	29,612
<b>Equity</b>					
Shares	-	-	-	36,723,087	36,723,087
<b>Total equity and liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,752,699</b>	<b>36,752,699</b>
<b>Total</b>	<b>74,458</b>	<b>5,325,070</b>	<b>31,256,558</b>	<b>(36,656,086)</b>	<b>-</b>

(amounts x € 1)	<= 1 year	<= 5 years	> 5 years	Not interest bearing	Total 2019
<b>Assets</b>					
Investments	-	3,167,262	29,599,046	-	32,766,308
Cash and cash equivalents	69,076	-	-	-	69,076
Receivables	-	-	-	116,756	116,756
<b>Total assets</b>	<b>69,076</b>	<b>3,167,262</b>	<b>29,599,046</b>	<b>116,756</b>	<b>32,952,140</b>
<b>Liabilities</b>					
Other payables	-	-	-	7,878	7,878
<b>Equity</b>					
Shares	-	-	-	32,944,262	32,944,262
<b>Total equity and liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,952,140</b>	<b>32,952,140</b>
<b>Total</b>	<b>69,076</b>	<b>3,167,262</b>	<b>29,599,046</b>	<b>(32,835,384)</b>	<b>-</b>

All other variables remaining the same, a 100-basis point decline in the interest rates effective as of the statement of financial position date would result in a € 2,612,816 increase in the profit for the reporting period (2019: € 2,296,550). A 100-basis point rise in the interest rates effective as of the statement of financial position date would result in a € 2,612,816 decrease in the profit for the reporting period.

(amounts x € 1)	0-1%	1-3%	3-5%	>5%	Total 2020
<b>Assets</b>					
Bonds	24,288,637	12,292,991	-	-	36,581,628
<b>Total assets</b>	<b>24,288,637</b>	<b>12,292,991</b>	<b>-</b>	<b>-</b>	<b>36,581,628</b>

(amounts x € 1)	0-1%	1-3%	3-5%	>5%	Total 2019
<b>Assets</b>					
Bonds	22,729,492	10,036,816	-	-	32,766,308
<b>Total assets</b>	<b>22,729,492</b>	<b>10,036,816</b>	<b>-</b>	<b>-</b>	<b>32,766,308</b>

**Credit risk**

Credit risk is the risk that the contract party in a financial instrument will not satisfy its obligation, which means the Sub-fund will have to recognise a financial loss. The amount that best represents the maximum credit risk is € 36,752,699 (2019: € 32,952,140).

The Sub-fund invests in monetary financial instruments and is consequently exposed to significant credit risk. The table below shows the concentrations of credit risk of the investments in bonds.

(amounts x € 1)	2020		2019	
Credit rating	Amount	% of the NAV	Amount	% of the NAV
AAA	11,370,483	31.0	10,461,963	31.8
AA	11,400,794	31.0	11,005,167	33.4
A	6,384,991	17.4	5,791,614	17.6
BBB	7,425,360	20.2	5,507,564	16.7
<b>Total</b>	<b>36,581,628</b>	<b>99.6</b>	<b>32,766,308</b>	<b>99.5</b>

**Liquidity risk**

Liquidity risk, also called funding risk, is the risk that the legal entity will be unable to secure the financial resources needed to satisfy obligations under the financial instruments. Liquidity risk can arise, for instance, if a financial asset cannot be sold at fair value in the short term.

Shares in the Sub-funds can be bought and sold on Euronext Amsterdam, whereby the Liquidity Provider ensures that there is both a bid and ask price at which the share can be traded. The Sub-fund's investments are likewise listed. Consequently the Sub-fund is not exposed to significant liquidity risk.

**8. Cost section****OCF (ongoing charges figure)**

The OCF is a measure of the ongoing costs charged to the Sub-fund during the reporting period. The following starting points are important for calculating the ongoing charges:

- The OCF shows the ratio of ongoing costs to average intrinsic value. The ongoing charges encompass all costs charged to the fund assets during the reporting period, with the exception of the spread applied for the entry and exit of shareholders, any performance fees and transaction costs of investments and interest charges on bank accounts. Performance fees must be presented separately, if applicable. No performance fee applies for the VanEck UCITS ETFs.
- The average intrinsic value is based on the intrinsic values on every day that the intrinsic value of the Sub-fund is determined during the reporting period.

(amounts x € 1.000)	2020	2019
<b>Average intrinsic value</b>	<b>52,544,055</b>	<b>41,927,210</b>
Total costs within the Sub fund	79,060	62,632
<b>OCF</b>	<b>0.15%</b>	<b>0.15%</b>

**Comparison of costs to prospectus over 2020 financial year**

(amounts x € 1)	Amount	%	Prospectus
Total costs within the Sub fund	79,060	0.15%	0.15%
<b>Total</b>	<b>79,060</b>	<b>0.15%</b>	<b>0.15%</b>

The percentage is calculated with respect to the average assets as used for the OCF.

**Portfolio Turnover ratio**

The Portfolio Turnover ratio (PTR) gives an indication of the turnover rate of the Sub-fund's portfolio. This indicator gives an impression of the relative transaction costs involved in the differences in portfolio management.

The PTR is calculated as follows:

$$[(\text{Total 1} - \text{Total 2}) / X] * 100$$

Total 1: the total amount in securities transactions (securities purchases + securities sales)

Total 2: the total amount in transactions (issue + purchases) of participation rights in the investment institution

X: the average intrinsic value of the investment institution.

An PTR of 199.2% is calculated using this formula (2019: 79.7%). This means that in 2020, purchases and sales took place in the amount of 2.0 times the average intrinsic value of the Sub-fund. This amount has been corrected for the regular purchases and sales performed on account of entries and exits.

# VanEck Vectors™ ETFs N.V.

Annual Report 2020

Serie J

VanEck Vectors™ iBoxx EUR Sovereign Capped AAA-AA 1-5 UCITS ETF

# VanEck®

Access the opportunities.

## VanEck Vectors™ iBoxx EUR Sovereign Capped AAA-AA 1-5 UCITS ETF

## General Information

## Investment policy

The aim of the VanEck Vectors™ iBoxx EUR Sovereign Capped AAA-AA 1-5 UCITS ETF is to follow the Markit iBoxx EUR Liquid Sovereigns Capped AAA-AA 1-5 Index as closely as possible.

The (general) criteria below apply to the (composition of the) Markit iBoxx EUR Liquid Sovereigns Capped AAA-AA 1-5 Index:

- the index consists of maximum 15 European government bonds with a maturity of 1.25 to 5.5 years, listed in euros;
- the bonds have a minimum issue of 2 billion;
- the bonds have a minimum rating of AA;
- at the moment of selection and reweighting, the bonds have a minimum remaining maturity of 18 months;
- the weighting is on the basis of the outstanding amount of the bonds.
- the government bonds must pay a fixed coupon, 'plain vanilla bonds';
- the number of bonds per country is capped at 3;
- the weight per country in the Index is maximum 30%;
- the reweighting takes place on the last day of February, May, August and November. The costs incurred in connection with the reweighting of the VanEck Vectors™ iBoxx EUR Sovereign Capped AAA-AA 1-5 UCITS ETF are at the expense of this Sub-fund.

## Key figures Series J: VanEck Vectors™ iBoxx EUR Sovereign Capped AAA-AA 1-5 UCITS ETF

(amounts x € 1)	2020	2019	2018	2017	2016
<i>Summary per share<sup>10</sup></i>					
Changes in the value of investments	(0.45)	(0.58)	(0.58)	(0.88)	(0.29)
Direct returns	0.40	0.56	0.62	0.68	0.69
<b>Total operating income</b>	<b>(0.05)</b>	<b>(0.02)</b>	<b>0.04</b>	<b>(0.20)</b>	<b>0.40</b>
Management costs and interest charges	(0.03)	(0.03)	(0.03)	(0.04)	(0.04)
Other expenses	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
<b>Total operating expenses</b>	<b>(0.03)</b>	<b>(0.03)</b>	<b>(0.03)</b>	<b>(0.04)</b>	<b>(0.04)</b>
Distribution	0.40	0.54	0.74	0.70	0.77
Fund assets	165,496,601	154,888,114	170,985,495	170,976,014	290,724,783
Number of outstanding shares	7,871,000	7,221,000	7,761,000	7,506,000	12,280,000
Intrinsic value per share	21.03	21.45	22.03	22.78	23.67
Fund performance	(0.11%)	(0.20%)	(0.02%)	(0.84%)	1.19%
Benchmark performance	0.07%	(0.08%)	0.13%	(0.69%)	1.24%

<sup>10</sup> The summary per share is calculated by dividing the result by average number of shares.



## 4.15 Financial statements VanEck Vectors™ iBoxx EUR Sovereign Capped AAA-AA 1- 5 UCITS ETF

### 4.15.1. Statement of financial position

(amounts x € 1)		2020	2019 (Restated)
<b>ASSETS</b>			
Cash and cash equivalents	{1}	334,446	323,685
<u>Investments</u>			
Debt instruments		164,570,076	153,341,914
<b>Investments</b>	{2}	<b>164,570,076</b>	<b>153,341,914</b>
Receivables	{3}	880,030	1,538,129
<b>Total assets</b>		<b>165,784,552</b>	<b>155,203,728</b>
<b>LIABILITIES</b>			
Other payables	{5}	287,951	315,614
<b>Net assets attributable to shareholders</b>	{4}	<b>165,496,601</b>	<b>154,888,114</b>
<b>Total liabilities</b>		<b>165,784,552</b>	<b>155,203,728</b>

The numbers next to the items refer to the notes to the statement of financial position and statement of profit and loss and other comprehensive income. The notes form an integral part of the financial statements.

**4.15.2. Statement of profit and loss and other comprehensive income**

(amounts x € 1)	2020	2019
<b>Investment result</b>		
Changes in the value of investments	(4,576,938)	(3,852,280)
Interest income	4,006,428	3,727,258
Interest expense	(11,724)	(6,466)
<b>Total investment result</b>	<b>(582,234)</b>	<b>(131,488)</b>
Management costs {8}	(322,662)	(217,356)
Transaction costs	(511)	(299)
<b>Total expenses</b>	<b>(323,173)</b>	<b>(217,655)</b>
<b>Distribution</b>	<b>(3,967,850)</b>	<b>(3,639,940)</b>
<b>Decrease in the net assets attributable to shareholders</b>	<b>(4,873,257)</b>	<b>(3,989,083)</b>

The numbers next to the items refer to the notes to the statement of financial position and statement of profit and loss and other comprehensive income. The notes form an integral part of the financial statements.

**4.15.3. Statement of cash flows**

(amounts x € 1)	2020	2019
Purchases of investments	(300,952,871)	(102,589,047)
Sales of investments	285,147,771	114,534,568
Interest received	4,664,527	3,822,563
Interest paid	(11,256)	172,129
Management costs paid	(321,003)	(220,065)
Other expenses paid	(75)	-
<b>Cash flow from operating activities</b>	<b>(11,472,907)</b>	<b>15,720,148</b>
Issue of shares	169,015,499	36,979,188
Repurchase of shares	(153,533,755)	(49,087,486)
Distribution	(3,998,076)	(3,775,447)
<b>Net cash flow from financing activities</b>	<b>11,483,668</b>	<b>(15,883,745)</b>
<b>Net cash flow</b>	<b>10,761</b>	<b>(163,597)</b>
Cash and cash equivalents at beginning of the period	323,685	487,282
<b>Cash and cash equivalents at end of the period</b>	<b>334,446</b>	<b>323,685</b>

The notes form an integral part of the financial statements.

**4.15.4. Statement of changes in net assets attributable to shareholders**

(amounts x € 1)	2020	2019
<b>Net assets attributable to redeemable participating shareholders at the beginning of the financial year</b>	<b>154,888,114</b>	<b>170,985,495</b>
Proceeds from the issuance of redeemable participating shares	169,015,499	36,979,188
Payments for the redemption of redeemable participating shares	(153,533,755)	(49,087,486)
Increase/decrease in the net assets attributable to shareholders	(4,873,257)	(3,989,083)
<b>Net assets attributable to redeemable participating shareholders at the end of the financial year</b>	<b>165,496,601</b>	<b>154,888,114</b>
<b>Number of redeemable participating shares</b>		
Redeemable participating shares at the beginning of the financial year	7,221,000	7,761,000
Issuance of redeemable participating shares	7,850,000	1,690,000
Repurchase of redeemable participating shares	(7,200,000)	(2,230,000)
<b>Redeemable participating shares at the end of the financial year</b>	<b>7,871,000</b>	<b>7,221,000</b>

**4.15.5. Notes****Accounting policies**

For the accounting policies used for the financial statements, refer to the Company's accounting policies as set out in chapter 4.5.

**Correction of error**

During the financial closing of the 2020 annual report, an error was identified in the classification of the puttable shares as equity. Based on IAS 32.16A, the puttable shares should have been classified as a liability since the expected cash flows attributable over the life of the instrument and the pro-rata claim in the event of the fund's liquidation is different per sub-fund.

Carrying amount (amounts x € 1)	Original 2019	Restated 2019
<b>Statement of financial position as of 31 December</b>		
Equity	154,888,114	-
Net assets attributable to shareholders	-	154,888,114
<b>Total</b>	<b>154,888,114</b>	<b>154,888,114</b>
<b>Statement of profit and loss and other comprehensive income</b>		
Distribution	-	(3,639,940)
Total Result	(3,989,083)	-
Decrease in the net assets attributable to shareholders	-	(349,143)
<b>Total</b>	<b>(3,989,083)</b>	<b>(3,989,083)</b>

As we consider the error material we applied IAS 8 ('Accounting Policies, Changes in Accounting Estimates and Errors') and adjusted the comparative financial figures for the above accounts in the 2019 financial statements. The error does impact the classification of the results puttable shares and impact the result. The error doesn't impact the result or the NAV per share.

For previous years the same classification would apply and it would not impact the Net Asset Value for these years.

## Notes to the statement of financial position and statement of profit and loss and other comprehensive income

## 1. Cash and cash equivalents

At 31 December 2020 there are no restrictions on the use of the cash and cash equivalents.

## 2. Investments

## Summary of changes in the investments according to characteristic of financial instrument

(amounts x € 1)	2020	2019
<b>Debt instruments</b>		
Opening balance	153,341,914	169,139,714
Purchases of investments	300,952,871	102,589,048
Sales of investments	(285,147,771)	(114,534,568)
Changes in value	(4,576,938)	(3,852,280)
<b>Closing balance debt instruments</b>	<b>164,570,076</b>	<b>153,341,914</b>

The table below provides an analysis of the financial instruments measured at fair value, per valuation method.

## Composition of investments according to valuation technique

(amounts x € 1)	2020	2019
Level 1	164,570,076	153,341,914
<b>Total</b>	<b>164,570,076</b>	<b>153,341,914</b>

All the investments of the Sub-fund are listed and therefore classified as level 1 investments.

## VanEck Vectors™ iBoxx EUR Sovereign Capped AAA-AA 1-5 UCITS ETF

## Composition of investments according to valuation technique

(amounts x € 1)	2020		
	Currency	Market value	% of NAV
<b>Debt instruments</b>			
FRANCE (GOVT OF) 4.25% 25/10/2023	EUR	17,255,653	10.4
FRANCE (GOVT OF) 1.75% 25/5/2023	EUR	16,660,090	10.1
BUNDESREPUB. DEUTSCHLAND 0.5% 15/2/2026	EUR	16,050,122	9.7
FRANCE (GOVT OF) 0% 25/3/2025	EUR	15,440,252	9.3
BUNDESREPUB. DEUTSCHLAND 1% 15/8/2025	EUR	14,707,098	8.9
BUNDESREPUB. DEUTSCHLAND 0.5% 15/2/2025	EUR	14,311,187	8.6
BELGIUM KINGDOM 0.8% 22/6/2025	EUR	9,965,406	6.0
NETHERLANDS GOVERNMENT 1.75% 15/7/2023	EUR	9,228,446	5.6
BELGIUM KINGDOM 4.25% 28/9/2022	EUR	8,575,720	5.2
BELGIUM KINGDOM 2.6% 22/6/2024	EUR	8,280,015	5.0
NETHERLANDS GOVERNMENT 2% 15/7/2024	EUR	8,270,793	5.0
NETHERLANDS GOVERNMENT 0% 15/1/2024	EUR	7,835,725	4.7
REPUBLIC OF AUSTRIA 1.75% 20/10/2023	EUR	6,209,343	3.8
REPUBLIC OF AUSTRIA 1.2% 20/10/2025	EUR	6,058,268	3.7
REPUBLIC OF AUSTRIA 3.4% 22/11/2022	EUR	5,721,958	3.4
<b>Total debt instruments</b>		<b>164,570,076</b>	<b>99.4</b>
<b>Total investments</b>		<b>164,570,076</b>	<b>99.4</b>

## 3. Receivables

(amounts x € 1)	2020	2019
Accrued interest on bonds	880,030	1,538,129
<b>Total</b>	<b>880,030</b>	<b>1,538,129</b>

## 4. Summary of changes in the assets under management

(amounts x € 1)	2020	2019
<b>Opening balance</b>	<b>154,888,114</b>	<b>170,985,495</b>
Issue of shares	169,015,499	36,979,188
Purchase of shares	(153,533,755)	(49,087,486)
Distribution	(3,967,850)	(3,639,940)
Interest income	4,006,428	3,727,258
Interest expense	(11,724)	(6,466)
Changes in the value of investments	(4,576,938)	(3,852,280)
Management fee	(322,662)	(217,356)
Other expenses	(511)	(299)
<b>Closing balance</b>	<b>165,496,601</b>	<b>154,888,114</b>

## VanEck Vectors™ iBoxx EUR Sovereign Capped AAA-AA 1-5 UCITS ETF

During the financial closing of the 2020 annual report, an error was identified in the classification of the puttable shares as equity. Based on IAS 32.16A, the puttable shares should have been classified as a liability since the expected cash flows attributable over the life of the instrument and pro-rata claim in the event of the entity's liquidation is different per sub-fund. The error in the financial statements of 2019 resulted in the reclassification of the puttable instruments from equity to liability.

As we consider the error material we applied IAS 8 ('Accounting Policies, Changes in Accounting Estimates and Errors') and adjusted the equity amounts to liability in the comparative financial statements. The error does impact the classification of the results on puttable shares. The error doesn't impact the result or the NAV per share.

## 5. Other payables

(amounts x € 1)	2020	2019
Interest payable	468	-
Management costs payable	21,554	19,895
Dividend tax payable	264,519	294,745
Other short-term debts	1,410	974
<b>Total</b>	<b>287,951</b>	<b>315,614</b>

## 6. Related parties

A party is an related party if one party can exercise control over the other party or exert significant influence on the other party's financial and operational policy.

VanEck Asset Management B.V. is the Company's director according to the articles of association and acts as Manager of the Company.

The management costs include all costs relating to the management of a fund, such as the management fee, costs of the custodial bank and the payment office, the listing costs, auditor's fee, costs of the purchase and issue of shares, the costs of having the Sub-funds correspond to the relevant index and the administration costs. The management costs are deducted daily from the definitive Net Intrinsic Value of a share in a Sub-fund. The management costs for the period from 1 January 2020 to 31 December 2020 amount to € 322,662 (same period in 2019: € 217,356).

## 7. Risks with regard to the financial instruments

### Market risk

In terms of market risk, a distinction can be made between:

- Currency risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in exchange rates;
- Other price risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in market prices caused by factors that apply exclusively for the individual instrument or emitting party, or by factors that affect all instruments traded on the market;
- Interest rate risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in the market interest rate.

The notion of market risk encompasses not only the likelihood of losses, but also the likelihood of gains.

### Currency risk

The Sub-fund only has euro investments and is consequently not exposed to significant currency risk.

## VanEck Vectors™ iBoxx EUR Sovereign Capped AAA-AA 1-5 UCITS ETF

**Market risk**

The risk as a result of changes in market prices is limited by diversifying the investments in the portfolio as much as possible by region and sector.

**Portfolio distribution by country**

(amounts x € 1)				
2020			2019	
Country	Amount	% of the NAV	Amount	% of the NAV
France	49,355,996	29.8	45,937,434	29.6
Germany	45,068,406	27.2	34,732,439	22.4
Belgium	26,821,141	16.2	25,955,522	16.8
Netherlands	25,334,964	15.3	26,326,416	17.0
Austria	17,989,569	10.9	20,390,103	13.2
<b>Total</b>	<b>164,570,076</b>	<b>99.4</b>	<b>153,341,914</b>	<b>99.0</b>

Country risk relates to uncertainty associates with investing in a certain country, which may be caused by political, economic, or technological influences. A 5% decrease in the relevant country, starting on the statement of financial position date and applicable for every country, would result in losses for the reporting period as shown in the table below.

(amounts x € 1)				
2020			2019	
Country	Amount	% of the NAV	Amount	% of the NAV
France	2,467,800	1.5	2,296,872	1.5
Germany	2,253,420	1.4	1,736,622	1.1
Belgium	1,341,057	0.8	1,297,776	0.8
Netherlands (the)	1,266,748	0.8	1,316,321	0.8
Austria	899,478	0.5	1,019,505	0.7



## VanEck Vectors™ iBoxx EUR Sovereign Capped AAA-AA 1-5 UCITS ETF

**Interest rate risk**

The company invests in fixed-interest financial instruments and is consequently exposed to interest rate risk.

(amounts x € 1)	<= 1 year	<= 5 years	> 5 years	Not interest bearing	Total 2020
<b>Assets</b>					
Investments	-	164,570,076	-	-	164,570,076
Cash and cash equivalents	334,446	-	-	-	334,446
Receivables	-	-	-	880,030	880,030
<b>Total assets</b>	<b>334,446</b>	<b>164,570,076</b>	<b>-</b>	<b>880,030</b>	<b>165,784,552</b>
<b>Liabilities</b>					
Other payables	-	-	-	287,951	287,951
<b>Equity</b>					
Shares	-	-	-	165,496,601	165,496,601
<b>Total equity and liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>165,784,552</b>	<b>165,784,552</b>
<b>Total</b>	<b>334,446</b>	<b>164,570,076</b>	<b>-</b>	<b>(164,904,522)</b>	<b>-</b>

(amounts x € 1)	<= 1 year	<= 5 years	> 5 years	Not interest bearing	Total 2019
<b>Assets</b>					
Investments	-	153,341,914	-	-	153,341,914
Cash and cash equivalents	323,685	-	-	-	323,685
Receivables	-	-	-	1,538,129	1,538,129
<b>Total assets</b>	<b>323,685</b>	<b>153,341,914</b>	<b>-</b>	<b>1,538,129</b>	<b>155,203,728</b>
<b>Liabilities</b>					
Other payables	-	-	-	315,614	315,614
<b>Equity</b>					
Shares	-	-	-	154,888,114	154,888,114
<b>Total equity and liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>155,203,728</b>	<b>155,203,728</b>
<b>Total</b>	<b>323,685</b>	<b>153,341,914</b>	<b>-</b>	<b>(153,665,599)</b>	<b>-</b>

All other variables remaining the same, a 100-basis point decline in the interest rates effective as of the statement of financial position date would result in a € 5,784,764 increase in the profit for the reporting period (2019: € 4,618,421). A 100-basis point rise in the interest rates effective as of the statement of financial position date would result in a € 5,784,764 decrease in the profit for the reporting period.

(amounts x € 1)	0-1%	1-3%	3-5%	>5%	Total 2020
<b>Assets</b>					
Bonds	78,309,790	54,706,955	31,553,331	-	164,570,076
<b>Total assets</b>	<b>78,309,790</b>	<b>54,706,955</b>	<b>31,553,331</b>	<b>-</b>	<b>164,570,076</b>

(amounts x € 1)	0-1%	1-3%	3-5%	>5%	Total 2019
<b>Assets</b>					
Bonds	11,872,877	84,623,425	56,845,612	-	153,341,914
<b>Total assets</b>	<b>11,872,877</b>	<b>84,623,425</b>	<b>56,845,612</b>	<b>-</b>	<b>153,341,914</b>

**Credit risk**

Credit risk is the risk that the contract party in a financial instrument will not satisfy its obligation, which means the Sub-fund will have to recognise a financial loss. The amount that best represents the maximum credit risk is € 165,784,552 (2019: € 155,203,728).

The Sub-fund invests in monetary financial instruments and is consequently exposed to significant credit risk. The table below shows the concentrations of credit risk of the investments in bonds.

(amounts x € 1)	2020		2019	
Credit rating	Amount	% of the NAV	Amount	% of the NAV
AAA	70,403,370	42.5	61,058,855	39.4
AA	94,166,706	56.9	92,283,059	59.6
<b>Total</b>	<b>164,570,076</b>	<b>99.4</b>	<b>153,341,914</b>	<b>99.0</b>

**Liquidity risk**

Liquidity risk, also called funding risk, is the risk that the legal entity will be unable to secure the financial resources needed to satisfy obligations under the financial instruments. Liquidity risk can arise, for instance, if a financial asset cannot be sold at fair value in the short term.

Shares in the Sub-funds can be bought and sold on Euronext Amsterdam, whereby the Liquidity Provider ensures that there is both a bid and ask price at which the share can be traded. The Sub-fund's investments are likewise listed. Consequently the Sub-fund is not exposed to significant liquidity risk.

**8. Cost section****OCF (ongoing charges figure)**

The OCF is a measure of the ongoing costs charged to the Sub-fund during the reporting period. The following starting points are important for calculating the ongoing charges:

- The OCF shows the ratio of ongoing costs to average intrinsic value. The ongoing charges encompass all costs charged to the fund assets during the reporting period, with the exception of the spread applied for the entry and exit of shareholders, any performance fees and transaction costs of investments and interest charges on bank accounts. Performance fees must be presented separately, if applicable. No performance fee applies for the VanEck UCITS ETFs.
- The average intrinsic value is based on the intrinsic values on every day that the intrinsic value of the Sub-fund is determined during the reporting period.

(amounts x € 1.000)	2020	2019
<b>Average intrinsic value</b>	<b>214,672,648</b>	<b>144,865,882</b>
Total costs within the Sub fund	322,662	217,356
<b>OCF</b>	<b>0.15%</b>	<b>0.15%</b>

**Comparison of costs to prospectus over 2020 financial year**

(amounts x € 1)	Amount	%	Prospectus
Total costs within the Sub fund	322,662	0.15%	0.15%
<b>Total</b>	<b>322,662</b>	<b>0.15%</b>	<b>0.15%</b>

The percentage is calculated with respect to the average assets as used for the OCF.

**Portfolio Turnover ratio**

The Portfolio Turnover ratio (PTR) gives an indication of the turnover rate of the Sub-fund's portfolio. This indicator gives an impression of the relative transaction costs involved in the differences in portfolio management.

The PTR is calculated as follows:

$$[(\text{Total 1} - \text{Total 2}) / X] * 100$$

Total 1: the total amount in securities transactions (securities purchases + securities sales)

Total 2: the total amount in transactions (issue + purchases) of participation rights in the investment institution

X: the average intrinsic value of the investment institution.

An PTR of 125.4% is calculated using this formula (2019: 92.2%). This means that in 2020, purchases and sales took place in the amount of 1.3 times the average intrinsic value of the Sub-fund. This amount has been corrected for the regular purchases and sales performed on account of entries and exits.

# VanEck Vectors™ ETFs N.V.

Annual Report 2020

Serie K

VanEck Vectors™ Sustainable World Equal Weight UCITS ETF

# VanEck®

Access the opportunities.

## VanEck Vectors™ Sustainable World Equal Weight UCITS ETF

## General Information

## Investment policy

The aim of the VanEck Vectors™ Sustainable World Equal Weight UCITS ETF is to follow the Solactive Sustainable World Equity Index as closely as possible.

The (general) criteria below apply to the (composition of the) Solactive Sustainable World Equity Index:

- first shares are selected with a primary stock-market listing in developed countries worldwide, as described in the 'Solactive Sustainable World Equity Index Guideline';
- exclusively ordinary and preferred shares and Depositary Receipts are eligible;
- Limited Partnerships and shares listed in Hong Kong that achieve more than 75% of their turnover outside the specified developed countries are excluded;
- exclusively shares with semi-annual average trading volume of EUR 25 million per day are eligible;
- only the most liquid listing for each company is eligible;
- VigeoEIRIS tests the universe for a number of sustainability criteria, the shares that do not satisfy the criteria are removed from the universe;
- the 250 largest shares are then selected based on free float market capitalisation;
- the Index is equally weighted on the reweighting date, after that the weighting can vary due to price fluctuations;
- the Index is reweighted annually on the fourth Tuesday of March so that the 250 shares are again equally weighted. Shares can also be added or removed. If this is not a Trading Day, the reweighting takes place on the next Trading Day; and
- for each geographic region, the weighting in the Index is capped at 40% at the moment of reweighting.

## Key figures Series K: VanEck Vectors™ Sustainable World Equal Weight UCITS ETF

(amounts x € 1)	2020	2019	2018	2017	2016
<i>Summary per share<sup>11</sup></i>					
Changes in the value of investments	(28.34)	17.71	(9.64)	4.89	5.66
Direct returns	1.76	2.35	2.04	1.97	1.71
<b>Total operating income</b>	<b>(26.58)</b>	<b>20.06</b>	<b>(7.60)</b>	<b>6.86</b>	<b>7.37</b>
Management costs and interest charges	(0.27)	(0.26)	(0.25)	(0.24)	(0.21)
Other expenses	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
<b>Total operating expenses</b>	<b>(0.27)</b>	<b>(0.26)</b>	<b>(0.25)</b>	<b>(0.24)</b>	<b>(0.21)</b>
Distribution	1.79	2.15	1.83	1.68	1.40
Fund assets	109,662,190	329,858,566	128,461,020	120,522,238	120,881,550
Number of outstanding shares	1,145,000	3,570,000	1,725,000	1,500,000	1,600,000
Intrinsic value per share*	95.77	92.36	74.47	80.35	75.55
Fund performance	5.93%	27.16%	(5.20%)	8.64%	8.81%
Benchmark performance	6.40%	27.64%	(4.91%)	8.98%	9.43%

\* Compared to last year the intrinsic value per share increased despite of a negative operational result and Distribution. This is related to the subscriptions and redemptions during the stock market dip of March 2020 due to Covid-19.

<sup>11</sup> The summary per share is calculated by dividing the result by average number of shares.

## 4.16 Financial statements VanEck Vectors™ Sustainable World Equal Weight UCITS ETF

### 4.16.1. Statement of financial position

(amounts x € 1)		2020	2019 (Restated)
<b>ASSETS</b>			
Cash and cash equivalents	{1}	165,224	328,536
<u>Investments</u>			
Equity instruments		105,648,502	318,179,005
Indirect real estate		3,719,395	10,894,812
<b>Investments</b>	{2}	<b>109,367,897</b>	<b>329,073,817</b>
Receivables	{3}	289,534	692,525
<b>Total assets</b>		<b>109,822,655</b>	<b>330,094,878</b>
<b>LIABILITIES</b>			
Other payables	{5}	160,465	236,312
<b>Net assets attributable to shareholders</b>	{4}	<b>109,662,190</b>	<b>329,858,566</b>
<b>Total liabilities</b>		<b>109,822,655</b>	<b>330,094,878</b>

The numbers next to the items refer to the notes to the statement of financial position and statement of profit and loss and other comprehensive income. The notes form an integral part of the financial statements.

**4.16.2. Statement of profit and loss and other comprehensive income**

(amounts x € 1)	2020	2019 (Restated)
<b>Investment result</b>		
Changes in the value of investments	(50,471,742)	47,088,563
Interest income	517	958
Interest expense	(9,327)	(7,733)
Dividend income	3,133,480	6,235,481
Foreign exchange differences	(39,807)	(28,936)
<b>Total investment result</b>	<b>(47,386,879)</b>	<b>53,288,333</b>
Management costs {8}	(463,290)	(683,510)
Transaction costs	(4,447)	(3,915)
<b>Total expenses</b>	<b>(467,737)</b>	<b>(687,425)</b>
<b>Distribution</b>	<b>(2,534,300)</b>	<b>(5,143,650)</b>
<b>Increase/decrease in the net assets attributable to shareholders</b>	<b>(50,388,916)</b>	<b>47,457,258</b>

The numbers next to the items refer to the notes to the statement of financial position and statement of profit and loss and other comprehensive income. The notes form an integral part of the financial statements.

**4.16.3. Statement of cash flows**

(amounts x € 1)	2020	2019
Purchases of investments	(46,828,318)	(193,494,103)
Sales of investments	216,062,496	40,069,522
Interest received	517	-
Interest paid	(9,221)	(6,775)
Dividends received	3,431,062	5,828,900
Management costs paid	(520,280)	(632,660)
Other expenses paid	(8,384)	(1,808)
<b>Cash flow from operating activities</b>	<b>172,127,872</b>	<b>(148,236,924)</b>
Issue of shares	9,461,615	167,512,405
Repurchase of shares	(179,269,075)	(13,572,117)
Distribution	(2,443,917)	(5,100,271)
<b>Net cash flow from financing activities</b>	<b>(172,251,377)</b>	<b>148,840,017</b>
Foreign exchange differences	(39,807)	(28,936)
<b>Net cash flow</b>	<b>(163,312)</b>	<b>574,157</b>
Cash and cash equivalents at beginning of the period	328,536	(245,621)
<b>Cash and cash equivalents at end of the period</b>	<b>165,224</b>	<b>328,536</b>

The notes form an integral part of the financial statements.

**4.16.4. Statement of changes in net assets attributable to shareholders**

(amounts x € 1)	2020	2019
<b>Net assets attributable to redeemable participating shareholders at the beginning of the financial year</b>	<b>329,858,566</b>	<b>128,461,020</b>
Proceeds from the issuance of redeemable participating shares	9,461,615	167,512,405
Payments for the redemption of redeemable participating shares	(179,269,075)	(13,572,117)
Increase/decrease in the net assets attributable to shareholders	(50,388,916)	47,457,258
<b>Net assets attributable to redeemable participating shareholders at the end of the financial year</b>	<b>109,662,190</b>	<b>329,858,566</b>
<b>Number of redeemable participating shares</b>		
Redeemable participating shares at the beginning of the financial year	3,570,000	1,725,000
Issuance of redeemable participating shares	100,000	1,995,000
Repurchase of redeemable participating shares	(2,525,000)	(150,000)
<b>Redeemable participating shares at the end of the financial year</b>	<b>1,145,000</b>	<b>3,570,000</b>



**4.16.5. Notes****Accounting policies**

For the accounting policies used for the financial statements, refer to the Company's accounting policies as set out in chapter 4.5.

**Correction of error**

During the financial closing of the 2020 annual report, an error was identified in the classification of the puttable shares as equity. Based on IAS 32.16A, the puttable shares should have been classified as a liability since the expected cash flows attributable over the life of the instrument and the pro-rata claim in the event of the fund's liquidation is different per sub-fund.

Carrying amount (amounts x € 1)	Original 2019	Restated 2019
<b>Statement of financial position as of 31 December</b>		
Equity	329,858,566	-
Net assets attributable to shareholders	-	329,858,566
<b>Total</b>	<b>329,858,566</b>	<b>329,858,566</b>
<b>Statement of profit and loss and other comprehensive income</b>		
Distribution	-	(5,143,650)
Total Result	47,457,258	-
Increase in the net assets attributable to shareholders	-	52,600,908
<b>Total</b>	<b>47,457,258</b>	<b>47,457,258</b>

As we consider the error material we applied IAS 8 ('Accounting Policies, Changes in Accounting Estimates and Errors') and adjusted the comparative financial figures for the above accounts in the 2019 financial statements. The error does impact the classification of the results puttable shares and impact the result. The error doesn't impact the result or the NAV per share.

For previous years the same classification would apply and it would not impact the Net Asset Value for these years.

## VanEck Vectors™ Sustainable World Equal Weight UCITS ETF

## Notes to the statement of financial position and statement of profit and loss and other comprehensive income

## 1. Cash and cash equivalents

At 31 December 2020 there are no restrictions on the use of the cash and cash equivalents.

The Foreign exchange rates as of 31 December 2020 are as follows:

Foreign currency	31 December 2020	Average of 2020	31 December 2019	Average of 2019
AUD	1.5856	1.6534	1.5969	1.6102
CAD	1.5588	1.5290	1.4556	1.4850
CHF	1.0816	1.0702	1.0870	1.1121
DKK	7.4435	7.4542	7.4725	7.4661
GBP	0.8951	0.8889	0.8474	0.8769
HKD	9.4873	8.8418	8.7463	8.7695
JPY	126.3255	121.7419	121.9877	121.9755
KRW	1,329.1424	1,344.7234	1,298.1152	1,304.7109
NOK	10.4760	10.7101	9.8638	9.8474
SEK	10.0485	10.4809	10.5078	10.5852
SGD	1.6171	1.5728	1.5094	1.5269
USD	1.2236	1.1400	1.1225	1.1192

## VanEck Vectors™ Sustainable World Equal Weight UCITS ETF

**2. Investments****Summary of changes in the investments according to characteristic of financial instrument**

(amounts x € 1)	2020	2019
<b>Equity instruments</b>		
Opening balance	318,179,005	124,168,378
Purchases of investments	44,810,377	186,204,640
Sales of investments	(208,655,134)	(38,603,194)
Changes in value	(48,685,746)	46,409,181
<b>Closing balance equity instruments</b>	<b>105,648,502</b>	<b>318,179,005</b>
<b>Indirect real estate</b>		
Opening balance	10,894,812	4,397,515
Purchases of investments	2,017,941	7,284,243
Sales of investments	(7,407,362)	(1,466,328)
Changes in value	(1,785,996)	679,382
<b>Closing balance indirect real estate</b>	<b>3,719,395</b>	<b>10,894,812</b>
<b>Total investments</b>		
Opening balance	329,073,817	128,565,893
Purchases of investments	46,828,318	193,488,883
Sales of investments	(216,062,496)	(40,069,522)
Changes in value	(50,471,742)	47,088,563
<b>Closing balance total investments</b>	<b>109,367,897</b>	<b>329,073,817</b>

The table below provides an analysis of the financial instruments measured at fair value, per valuation method.

**Composition of investments according to valuation technique**

(amounts x € 1)	2020	2019
Level 1	109,367,897	329,073,817
<b>Total</b>	<b>109,367,897</b>	<b>329,073,817</b>

All the investments of the Sub-fund are listed and therefore classified as level 1 investments.

## VanEck Vectors™ Sustainable World Equal Weight UCITS ETF

## Composition of investments according to valuation technique

(amounts x € 1)		2020	
	Currency	Market value	% of NAV
<b>Equity instruments</b>			
Tesla Inc	USD	2,319,070	2.1
Xiaomi Corp	HKD	926,650	0.8
Shopify Inc	USD	901,082	0.8
Vestas Wind Systems A/S	DKK	849,569	0.8
Adyen NV	EUR	834,390	0.8
Infineon Technologies AG	EUR	781,831	0.7
Nidec Corp	JPY	710,622	0.6
Capgemini SE	EUR	686,115	0.6
NVIDIA Corp	USD	679,451	0.6
PayPal Holdings Inc	USD	676,635	0.6
Other		96,283,087	87.9
<b>Total equity instruments</b>		<b>105,648,502</b>	<b>96.3</b>
<b>Indirect real estate</b>			
Vonovia SE	EUR	462,004	0.4
Simon Property Group Inc	USD	405,577	0.4
Prologis Inc	USD	394,633	0.3
Mitsui Fudosan Co Ltd	JPY	381,070	0.3
Equinix Inc	USD	347,299	0.3
Mitsubishi Estate Co Ltd	JPY	322,243	0.3
Crown Castle International Corp	USD	303,405	0.3
Sun Hung Kai Properties Ltd	HKD	279,322	0.3
CK Asset Holdings Ltd	HKD	276,877	0.3
American Tower Corp	USD	276,092	0.3
Link REIT	HKD	270,873	0.2
<b>Total indirect real estate</b>		<b>3,719,395</b>	<b>3.4</b>
<b>Total investments</b>		<b>109,367,897</b>	<b>99.7</b>

## 3. Receivables

(amounts x € 1)		2020	2019
Dividend receivable		113,286	410,868
Dividend tax receivable		176,248	281,657
<b>Total</b>		<b>289,534</b>	<b>692,525</b>

## VanEck Vectors™ Sustainable World Equal Weight UCITS ETF

## 4. Summary of changes in the assets under management

(amounts x € 1)	2020	2019
<b>Opening balance</b>	<b>329,858,566</b>	<b>128,461,020</b>
Issue of shares	9,461,615	167,512,405
Purchase of shares	(179,269,075)	(13,572,117)
Distribution	(2,534,300)	(5,143,650)
Interest income	517	958
Interest expense	(9,327)	(7,733)
Dividend income	3,133,480	6,235,481
Changes in the value of investments	(50,471,742)	47,088,563
Management fee	(463,290)	(683,510)
Exchange rate differences	(39,807)	(28,936)
Other expenses	(4,447)	(3,915)
<b>Closing balance</b>	<b>109,662,190</b>	<b>329,858,566</b>

During the financial closing of the 2020 annual report, an error was identified in the classification of the puttable shares as equity. Based on IAS 32.16A, the puttable shares should have been classified as a liability since the expected cash flows attributable over the life of the instrument and pro-rata claim in the event of the entity's liquidation is different per sub-fund. The error in the financial statements of 2019 resulted in the reclassification of the puttable instruments from equity to liability.

As we consider the error material we applied IAS 8 ('Accounting Policies, Changes in Accounting Estimates and Errors') and adjusted the equity amounts to liability in the comparative financial statements. The error does impact the classification of the results on puttable shares. The error doesn't impact the result or the NAV per share.

## 5. Other payables

(amounts x € 1)	2020	2019
Interest payable	106	-
Management costs payable	27,502	84,492
Dividend tax payable	132,767	147,793
Other short-term debts	90	4,027
<b>Total</b>	<b>160,465</b>	<b>236,312</b>

## 6. Related parties

A party is an related party if one party can exercise control over the other party or exert significant influence on the other party's financial and operational policy.

VanEck Asset Management B.V. is the Company's director according to the articles of association and acts as Manager of the Company.

The management costs include all costs relating to the management of a fund, such as the management fee, costs of the custodial bank and the payment office, the listing costs, auditor's fee, costs of the purchase and issue of shares, the costs of having the Sub-funds correspond to the relevant index and the administration costs. The management costs are deducted daily from the definitive Net Intrinsic Value of a share in a Sub-fund. The management costs for the period from 1 January 2020 to 31 December 2020 amount to € 463,290 (same period in 2019: € 683,510).

## VanEck Vectors™ Sustainable World Equal Weight UCITS ETF

**7. Risks with regard to the financial instruments****Market risk**

In terms of market risk, a distinction can be made between:

- Currency risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in exchange rates;
- Other price risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in market prices caused by factors that apply exclusively for the individual instrument or emitting party, or by factors that affect all instruments traded on the market;
- Interest rate risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in the market interest rate.

The notion of market risk encompasses not only the likelihood of losses, but also the likelihood of gains.

**Currency risk**

The fund has investments denominated in foreign currency and is therefore exposed to significant currency risk.

(amounts x € 1)				
2020			2019	
Currency	Amount	% of the NAV	Amount	% of the NAV
US dollar	42,159,825	38.5	124,513,590	37.8
Euro	20,122,712	18.3	59,870,652	18.2
Japanese yen	19,191,087	17.5	58,847,074	17.8
British pound	7,416,974	6.8	21,539,093	6.5
Other currency	20,771,592	18.9	65,088,157	19.7
<b>Total</b>	<b>109,662,190</b>	<b>100.0</b>	<b>329,858,566</b>	<b>100.0</b>

A 5% increase in the relevant currency, starting on the statement of financial position date and applicable for every currency, would result in a profit increase for the reporting period as shown in the table below.

(amounts x € 1)				
2020			2019	
Currency	Amount	% of the NAV	Amount	% of the NAV
US dollar	2,107,991	1.9	6,225,680	1.9
Japanese yen	959,554	0.9	2,942,354	0.9
British pound	370,849	0.3	1,076,955	0.3

A 5% decrease in a currency would have an impact of the same magnitude in the opposite direction.

## VanEck Vectors™ Sustainable World Equal Weight UCITS ETF

**Market risk**

The risk as a result of changes in market prices is limited by diversifying the investments in the portfolio as much as possible by region and sector.

**Portfolio distribution by sector**

(amounts x € 1)		2020		2019	
Sector	Amount	% of the NAV	Amount	% of the NAV	
Non-cyclical consumer goods	26,559,139	24.1	71,517,925	21.7	
Financial	26,197,737	23.9	104,652,131	31.7	
Technology	14,461,659	13.2	31,090,303	9.4	
Industrial	12,368,526	11.3	37,492,139	11.4	
Cyclical consumer goods	12,345,636	11.3	33,206,602	10.1	
Communications	12,077,191	11.0	35,745,733	10.8	
Other sectors	5,358,009	4.9	15,368,984	4.7	
<b>Total</b>	<b>109,367,897</b>	<b>99.7</b>	<b>329,073,817</b>	<b>99.8</b>	

A 5% increase in the relevant sector, starting on the statement of financial position date and applicable for every sector, would result in a profit increase for the reporting period as shown in the table below.

(amounts x € 1)		2020		2019	
Sector	Amount	% of the NAV	Amount	% of the NAV	
Non-cyclical consumer goods	1,327,957	1.2	3,575,896	1.1	
Financial	1,309,887	1.2	5,232,607	1.6	
Technology	723,083	0.7	1,554,515	0.5	
Industrial	618,426	0.6	1,874,607	0.6	
Cyclical consumer goods	617,282	0.6	1,660,330	0.5	
Communications	603,860	0.6	1,787,287	0.5	

A 5% decrease in the sector would have an impact of the same magnitude in the opposite direction.

**Portfolio distribution by country**

(amounts x € 1)				
2020			2019	
Country	Amount	% of the NAV	Amount	% of the NAV
United States	42,133,563	38.4	124,426,783	37.8
Japan	19,174,207	17.5	58,843,365	17.8
United Kingdom	7,407,321	6.8	21,535,278	6.5
Germany	5,923,718	5.4	19,075,371	5.8
France	5,512,025	5.0	18,657,132	5.7
Other countries	29,217,063	26.6	86,535,888	26.2
<b>Total</b>	<b>109,367,897</b>	<b>99.7</b>	<b>329,073,817</b>	<b>99.8</b>

Country risk relates to uncertainty associates with investing in a certain country, which may be caused by political, economic, or technological influences. A 5% decrease in the relevant country, starting on the statement of financial position date and applicable for every country, would result in losses for the reporting period as shown in the table below.

(amounts x € 1)				
2020			2019	
Country	Amount	% of the NAV	Amount	% of the NAV
United States	2,106,678	1.9	6,221,339	1.9
Japan	958,710	0.9	2,942,168	0.9
United Kingdom	370,366	0.3	1,076,764	0.3
Germany	296,186	0.3	953,769	0.3
France	275,601	0.3	932,857	0.3

**Interest rate risk**

The Sub-fund does not invest in fixed-interest financial instruments and is consequently not exposed to significant interest rate risk.

**Credit risk**

Credit risk is the risk that the contract party in a financial instrument will not satisfy its obligation, which means the Sub-fund will have to recognise a financial loss. The amount that best represents the maximum credit risk is € 454,758 (2019: € 1,021,061).

The Sub-fund does not invest in monetary financial instruments and is consequently not exposed to significant credit risk.

**Liquidity risk**

Liquidity risk, also called funding risk, is the risk that the legal entity will be unable to secure the financial resources needed to satisfy obligations under the financial instruments. Liquidity risk can arise, for instance, if a financial asset cannot be sold at fair value in the short term.

Shares in the Sub-funds can be bought and sold on Euronext Amsterdam, whereby the Liquidity Provider ensures that there is both a bid and ask price at which the share can be traded. The Sub-fund's investments are likewise listed. Consequently the Sub-fund is not exposed to significant liquidity risk.



## VanEck Vectors™ Sustainable World Equal Weight UCITS ETF

**8. Cost section****OCF (ongoing charges figure)**

The OCF is a measure of the ongoing costs charged to the Sub-fund during the reporting period. The following starting points are important for calculating the ongoing charges:

- The OCF shows the ratio of ongoing costs to average intrinsic value. The ongoing charges encompass all costs charged to the fund assets during the reporting period, with the exception of the spread applied for the entry and exit of shareholders, any performance fees and transaction costs of investments and interest charges on bank accounts. Performance fees must be presented separately, if applicable. No performance fee applies for the VanEck UCITS ETFs.
- The average intrinsic value is based on the intrinsic values on every day that the intrinsic value of the Sub-fund is determined during the reporting period.

(amounts x € 1.000)	2020	2019
<b>Average intrinsic value</b>	<b>154,557,591</b>	<b>227,976,641</b>
Total costs within the Sub fund	463,290	683,510
<b>OCF</b>	<b>0.30%</b>	<b>0.30%</b>

**Comparison of costs to prospectus over 2020 financial year**

(amounts x € 1)	Amount	%	Prospectus
Total costs within the Sub fund	463,290	0.30%	0.30%
<b>Total</b>	<b>463,290</b>	<b>0.30%</b>	<b>0.30%</b>

The percentage is calculated with respect to the average assets as used for the OCF.

**Portfolio Turnover ratio**

The Portfolio Turnover ratio (PTR) gives an indication of the turnover rate of the Sub-fund's portfolio. This indicator gives an impression of the relative transaction costs involved in the differences in portfolio management.

The PTR is calculated as follows:

$$[(\text{Total 1} - \text{Total 2}) / X] * 100$$

Total 1: the total amount in securities transactions (securities purchases + securities sales)

Total 2: the total amount in transactions (issue + purchases) of participation rights in the investment institution

X: the average intrinsic value of the investment institution.

An PTR of 48.0% is calculated using this formula (2019: 23.0%). This means that in 2020, purchases and sales took place in the amount of 0.5 times the average intrinsic value of the Sub-fund. This amount has been corrected for the regular purchases and sales performed on account of entries and exits.

# VanEck Vectors™ ETFs N.V.

Annual Report 2020

Serie L

VanEck Vectors™ European Equal Weight UCITS ETF

# VanEck®

Access the opportunities.

## VanEck Vectors™ European Equal Weight UCITS ETF

## General Information

## Investment policy

The aim of the VanEck Vectors™ European Equal Weight UCITS ETF is to follow the Solactive European Equity Index as closely as possible.

The (general) criteria below apply to the (composition of the) Solactive European Equity Index:

- first shares are selected with a primary stock-market listing in developed European countries, as described in the 'Solactive European Equity Index Guideline';
- exclusively ordinary and preferred shares and Depositary Receipts are eligible;
- Limited Partnerships are excluded;
- exclusively shares with semi-annual average trading volume of EUR 10 million per day are eligible;
- only the most liquid listing for each company is eligible;
- the 100 biggest shares are then selected based on free float market capitalisation;
- the index is equally weighted on the reweighting date, after that the weighting can vary due to price fluctuations;
- the index is reweighted annually on the third Tuesday of March so that the 100 shares are again equally weighted. Shares can also be added or removed. If this is not a Trading Day, the reweighting takes place on the next Trading Day; and
- for each country, the weighting in the index is capped at 20% at the moment of reweighting.

## Key figures Series L: VanEck Vectors™ European Equal Weight UCITS ETF

(amounts x € 1)	2020	2019	2018	2017	2016
<i>Summary per share<sup>12</sup></i>					
Changes in the value of investments	(3.27)	10.10	(7.46)	3.37	0.40
Direct returns	1.17	2.38	1.94	1.78	1.79
<b>Total operating income</b>	<b>(2.10)</b>	<b>12.48</b>	<b>(5.52)</b>	<b>5.15</b>	<b>2.19</b>
Management costs and interest charges	(0.11)	(0.11)	(0.12)	(0.11)	(0.10)
Other expenses	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
<b>Total operating expenses</b>	<b>(0.11)</b>	<b>(0.11)</b>	<b>(0.12)</b>	<b>(0.11)</b>	<b>(0.10)</b>
Distribution	1.32	2.19	1.82	1.35	1.65
Fund assets	40,722,913	43,302,944	43,655,882	44,625,021	38,462,052
Number of outstanding shares	730,000	730,000	885,000	790,000	730,000
Intrinsic value per share	55.78	59.17	49.33	56.49	52.69
Fund performance	(3.20%)	24.76%	(9.73%)	9.81%	4.56%
Benchmark performance	(3.00%)	25.05%	(9.62%)	10.14%	4.90%

<sup>12</sup> The summary per share is calculated by dividing the result by average number of shares.

## 4.17 Financial statements VanEck Vectors™ European Equal Weight UCITS ETF

### 4.17.1. Statement of financial position

(amounts x € 1)		2020	2019 (Restated)
<b>ASSETS</b>			
Cash and cash equivalents	{1}	42,258	52,905
<u>Investments</u>			
Equity instruments		39,939,387	42,226,875
Indirect real estate		683,869	791,813
<b>Investments</b>	{2}	<b>40,623,256</b>	<b>43,018,688</b>
Receivables	{3}	157,655	266,424
<b>Total assets</b>		<b>40,823,169</b>	<b>43,338,017</b>
<b>LIABILITIES</b>			
Other payables	{5}	100,256	35,073
<b>Net assets attributable to shareholders</b>	{4}	<b>40,722,913</b>	<b>43,302,944</b>
<b>Total liabilities</b>		<b>40,823,169</b>	<b>43,338,017</b>

The numbers next to the items refer to the notes to the statement of financial position and statement of profit and loss and other comprehensive income. The notes form an integral part of the financial statements.

**4.17.2. Statement of profit and loss and other comprehensive income**

(amounts x € 1)	2020	2019 (Restated)
<b>Investment result</b>		
Changes in the value of investments	(2,387,155)	7,968,330
Interest income	239	35
Interest expense	(971)	(2,903)
Dividend income	851,620	1,874,775
Foreign exchange differences	(2,508)	970
<b>Total investment result</b>	<b>(1,538,775)</b>	<b>9,841,207</b>
Management costs {8}	(75,698)	(86,923)
Transaction costs	(1,958)	(1,923)
<b>Total expenses</b>	<b>(77,656)</b>	<b>(88,846)</b>
<b>Distribution</b>	<b>(963,600)</b>	<b>(1,710,900)</b>
<b>Increase/decrease in the net assets attributable to shareholders</b>	<b>(2,580,031)</b>	<b>8,041,461</b>

The numbers next to the items refer to the notes to the statement of financial position and statement of profit and loss and other comprehensive income. The notes form an integral part of the financial statements.

**4.17.3. Statement of cash flows**

(amounts x € 1)	2020	2019
Purchases of investments	(5,102,159)	(5,503,798)
Sales of investments	5,110,436	14,315,202
Interest received	239	-
Interest paid	(923)	(2,866)
Dividends received	856,034	1,757,981
Management costs paid	(76,206)	(87,058)
Other expenses paid	51,324	(1,597)
<b>Cash flow from operating activities</b>	<b>838,745</b>	<b>10,477,864</b>
Repurchase of shares	-	(8,394,399)
Distribution	(846,884)	(1,728,159)
<b>Net cash flow from financing activities</b>	<b>(846,884)</b>	<b>(10,122,558)</b>
Foreign exchange differences	(2,508)	970
<b>Net cash flow</b>	<b>(10,647)</b>	<b>356,276</b>
Cash and cash equivalents at beginning of the period	52,905	(303,371)
<b>Cash and cash equivalents at end of the period</b>	<b>42,258</b>	<b>52,905</b>

The notes form an integral part of the financial statements.

**4.17.4. Statement of changes in net assets attributable to shareholders**

(amounts x € 1)	2020	2019
<b>Net assets attributable to redeemable participating shareholders at the beginning of the financial year</b>	<b>43,302,944</b>	<b>43,655,882</b>
Payments for the redemption of redeemable participating shares	-	(8,394,399)
Increase/decrease in the net assets attributable to shareholders	(2,580,031)	8,041,461
<b>Net assets attributable to redeemable participating shareholders at the end of the financial year</b>	<b>40,722,913</b>	<b>43,302,944</b>
<b>Number of redeemable participating shares</b>		
Redeemable participating shares at the beginning of the financial year	730,000	885,000
Repurchase of redeemable participating shares	-	(155,000)
<b>Redeemable participating shares at the end of the financial year</b>	<b>730,000</b>	<b>730,000</b>

**4.17.5. Notes****Accounting policies**

For the accounting policies used for the financial statements, refer to the Company's accounting policies as set out in chapter 4.5.

**Correction of error**

During the financial closing of the 2020 annual report, an error was identified in the classification of the puttable shares as equity. Based on IAS 32.16A, the puttable shares should have been classified as a liability since the expected cash flows attributable over the life of the instrument and the pro-rata claim in the event of the fund's liquidation is different per sub-fund.

Carrying amount (amounts x € 1)	Original 2019	Restated 2019
<b>Statement of financial position as of 31 December</b>		
Equity	43,302,944	-
Net assets attributable to shareholders	-	43,302,944
<b>Total</b>	<b>43,302,944</b>	<b>43,302,944</b>
<b>Statement of profit and loss and other comprehensive income</b>		
Distribution	-	(1,710,900)
Total Result	8,041,461	-
Increase in the net assets attributable to shareholders	-	9,752,361
<b>Total</b>	<b>8,041,461</b>	<b>8,041,461</b>

As we consider the error material we applied IAS 8 ('Accounting Policies, Changes in Accounting Estimates and Errors') and adjusted the comparative financial figures for the above accounts in the 2019 financial statements. The error does impact the classification of the results puttable shares and impact the result. The error doesn't impact the result or the NAV per share.

For previous years the same classification would apply and it would not impact the Net Asset Value for these years.

## VanEck Vectors™ European Equal Weight UCITS ETF

## Notes to the statement of financial position and statement of profit and loss and other comprehensive income

## 1. Cash and cash equivalents

At 31 December 2020 there are no restrictions on the use of the cash and cash equivalents.

The Foreign exchange rates as of 31 December 2020 are as follows:

Foreign currency	31 December 2020	Average of 2020	31 December 2019	Average of 2019
CHF	1.0816	1.0702	1.0870	1.1121
DKK	7.4435	7.4542	7.4725	7.4661
GBP	0.8951	0.8889	0.8474	0.8769
NOK	10.4760	10.7101	9.8638	9.8474
SEK	10.0485	10.4809	10.5078	10.5852
USD	1.2236	1.1400	1.1225	1.1192

## 2. Investments

## Summary of changes in the investments according to characteristic of financial instrument

(amounts x € 1)	2020	2019
<b>Equity instruments</b>		
Opening balance	42,226,875	43,515,002
Purchases of investments	5,040,336	4,980,109
Sales of investments	(5,060,170)	(14,209,575)
Changes in value	(2,267,654)	7,941,339
<b>Closing balance equity instruments</b>	<b>39,939,387</b>	<b>42,226,875</b>
<b>Indirect real estate</b>		
Opening balance	791,813	346,760
Purchases of investments	61,823	523,689
Sales of investments	(50,266)	(105,627)
Changes in value	(119,501)	26,991
<b>Closing balance indirect real estate</b>	<b>683,869</b>	<b>791,813</b>
<b>Total investments</b>		
Opening balance	43,018,688	43,861,762
Purchases of investments	5,102,159	5,503,798
Sales of investments	(5,110,436)	(14,315,202)
Changes in value	(2,387,155)	7,968,330
<b>Closing balance total investments</b>	<b>40,623,256</b>	<b>43,018,688</b>



## VanEck Vectors™ European Equal Weight UCITS ETF

The table below provides an analysis of the financial instruments measured at fair value, per valuation method.

## Composition of investments according to valuation technique

(amounts x € 1)	2020	2019
Level 1	40,623,256	43,018,688
<b>Total</b>	<b>40,623,256</b>	<b>43,018,688</b>

All the investments of the Sub-fund are listed and therefore classified as level 1 investments.

## Composition of investments according to valuation technique

(amounts x € 1)	2020		
	Currency	Market value	% of NAV
<b>Equity instruments</b>			
Infineon Technologies AG	EUR	678,776	1.7
Daimler AG	EUR	651,466	1.6
ASML Holding NV	EUR	585,590	1.4
Deutsche Post AG	EUR	583,686	1.4
BHP Group PLC	GBP	577,565	1.4
DSV PANALPINA A/S	DKK	556,629	1.4
Rio Tinto PLC	GBP	551,644	1.4
Volvo AB	SEK	550,474	1.4
LVMH Moët Hennessy Louis Vuitton SE	EUR	527,760	1.3
Deutsche Bank AG	EUR	526,121	1.3
Other		34,149,676	83.8
<b>Total equity instruments</b>		<b>39,939,387</b>	<b>98.1</b>
<b>Indirect real estate</b>			
Vonovia SE	EUR	440,790	1.1
Unibail-Rodamco-Westfield	EUR	243,079	0.6
<b>Total indirect real estate</b>		<b>683,869</b>	<b>1.7</b>
<b>Total investments</b>		<b>40,623,256</b>	<b>99.8</b>

## 3. Receivables

(amounts x € 1)	2020	2019
Dividend receivable	27,418	31,832
Dividend tax receivable	130,237	234,592
<b>Total</b>	<b>157,655</b>	<b>266,424</b>

**4. Summary of changes in the assets under management**

(amounts x € 1)	2020	2019
<b>Opening balance</b>	<b>43,302,944</b>	<b>43,655,882</b>
Purchase of shares	-	(8,394,399)
Distribution	(963,600)	(1,710,900)
Interest income	239	35
Interest expense	(971)	(2,903)
Dividend income	851,620	1,874,775
Changes in the value of investments	(2,387,155)	7,968,330
Management fee	(75,698)	(86,923)
Exchange rate differences	(2,508)	970
Other expenses	(1,958)	(1,923)
<b>Closing balance</b>	<b>40,722,913</b>	<b>43,302,944</b>

During the financial closing of the 2020 annual report, an error was identified in the classification of the puttable shares as equity. Based on IAS 32.16A, the puttable shares should have been classified as a liability since the expected cash flows attributable over the life of the instrument and pro-rata claim in the event of the entity's liquidation is different per sub-fund. The error in the financial statements of 2019 resulted in the reclassification of the puttable instruments from equity to liability.

As we consider the error material we applied IAS 8 ('Accounting Policies, Changes in Accounting Estimates and Errors') and adjusted the equity amounts to liability in the comparative financial statements. The error does impact the classification of the results on puttable shares. The error doesn't impact the result or the NAV per share.

**5. Other payables**

(amounts x € 1)	2020	2019
Interest payable	48	-
Management costs payable	6,885	7,393
Dividend tax payable	38,383	26,022
Other short-term debts	54,940	1,658
<b>Total</b>	<b>100,256</b>	<b>35,073</b>

**6. Related parties**

A party is an related party if one party can exercise control over the other party or exert significant influence on the other party's financial and operational policy.

VanEck Asset Management B.V. is the Company's director according to the articles of association and acts as Manager of the Company.

The management costs include all costs relating to the management of a fund, such as the management fee, costs of the custodial bank and the payment office, the listing costs, auditor's fee, costs of the purchase and issue of shares, the costs of having the Sub-funds correspond to the relevant index and the administration costs. The management costs are deducted daily from the definitive Net Intrinsic Value of a share in a Sub-fund. The management costs for the period from 1 January 2020 to 31 December 2020 amount to € 75,698 (same period in 2019: € 86,923).

## VanEck Vectors™ European Equal Weight UCITS ETF

**7. Risks with regard to the financial instruments****Market risk**

In terms of market risk, a distinction can be made between:

- Currency risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in exchange rates;
- Other price risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in market prices caused by factors that apply exclusively for the individual instrument or emitting party, or by factors that affect all instruments traded on the market;
- Interest rate risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in the market interest rate.

The notion of market risk encompasses not only the likelihood of losses, but also the likelihood of gains.

**Currency risk**

The fund has investments denominated in foreign currency and is therefore exposed to significant currency risk.

(amounts x € 1)		2020		2019	
Currency	Amount	% of the NAV	Amount	% of the NAV	
Euro	24,449,362	60.1	27,502,660	63.5	
British pound	7,227,277	17.7	7,920,881	18.3	
Swiss franc	5,355,478	13.2	4,619,367	10.7	
Swedish krona	2,286,378	5.6	2,426,899	5.6	
Other currencies	1,404,418	3.4	833,137	1.9	
<b>Total</b>	<b>40,722,913</b>	<b>100.0</b>	<b>43,302,944</b>	<b>100.0</b>	

A 5% increase in the relevant currency, starting on the statement of financial position date and applicable for every currency, would result in a profit increase for the reporting period as shown in the table below.

(amounts x € 1)		2020		2019	
Currency	Amount	% of the NAV	Amount	% of the NAV	
British pound	361,364	0.9	396,044	0.9	
Swiss franc	267,774	0.7	230,968	0.5	
Swedish krona	114,319	0.3	121,345	0.3	

A 5% decrease in a currency would have an impact of the same magnitude in the opposite direction.

## VanEck Vectors™ European Equal Weight UCITS ETF

**Market risk**

The risk as a result of changes in market prices is limited by diversifying the investments in the portfolio as much as possible by region and sector.

**Portfolio distribution by sector**

(amounts x € 1)		2020		2019	
Sector	Amount	% of the NAV	Amount	% of the NAV	
Financial	9,870,977	24.4	11,644,237	26.8	
Non-cyclical consumer goods	9,178,728	22.5	9,963,448	23.0	
Industrial	5,502,582	13.5	5,355,963	12.4	
Cyclical consumer goods	4,688,762	11.5	3,949,074	9.1	
Basic Materials	3,257,750	8.0	3,404,027	7.9	
Communications	3,136,704	7.7	2,513,126	5.8	
Other sectors	4,987,753	12.2	6,188,813	14.3	
<b>Total</b>	<b>40,623,256</b>	<b>99.8</b>	<b>43,018,688</b>	<b>99.3</b>	

A 5% increase in the relevant sector, starting on the statement of financial position date and applicable for every sector, would result in a profit increase for the reporting period as shown in the table below.

(amounts x € 1)		2020		2019	
Sector	Amount	% of the NAV	Amount	% of the NAV	
Financial	493,549	1.2	582,212	1.3	
Non-cyclical consumer goods	458,936	1.1	498,172	1.2	
Industrial	275,129	0.7	267,798	0.6	
Cyclical consumer goods	234,438	0.6	197,454	0.5	
Basic Materials	162,888	0.4	170,201	0.4	
Communications	156,835	0.4	125,656	0.3	

A 5% decrease in the sector would have an impact of the same magnitude in the opposite direction.

## VanEck Vectors™ European Equal Weight UCITS ETF

## Portfolio distribution by country

(amounts x € 1)				
2020			2019	
Country	Amount	% of the NAV	Amount	% of the NAV
Germany	8,174,483	20.2	8,543,513	19.7
France	7,962,225	19.6	9,075,482	20.8
United Kingdom	7,222,329	17.7	7,908,890	18.3
Switzerland	5,350,692	13.1	4,615,998	10.7
Netherlands	3,340,973	8.2	4,352,064	10.1
Sweden	2,286,321	5.6	2,417,083	5.6
Spain	2,196,192	5.4	2,439,160	5.6
Other countries	4,090,041	10.0	3,666,498	8.5
<b>Total</b>	<b>40,623,256</b>	<b>99.8</b>	<b>43,018,688</b>	<b>99.3</b>

Country risk relates to uncertainty associates with investing in a certain country, which may be caused by political, economic, or technological influences. A 5% decrease in the relevant country, starting on the statement of financial position date and applicable for every country, would result in losses for the reporting period as shown in the table below.

(amounts x € 1)				
2020			2019	
Country	Amount	% of the NAV	Amount	% of the NAV
Germany	408,724	1.0	427,176	1.0
France	398,111	1.0	453,774	1.0
United Kingdom	361,116	0.9	395,445	0.9
Switzerland	267,535	0.7	230,800	0.5
Netherlands	167,049	0.4	217,603	0.5
Sweden	114,316	0.3	120,854	0.3
Spain	109,810	0.3	121,958	0.3

**Interest rate risk**

The Sub-fund does not invest in fixed-interest financial instruments and is consequently not exposed to significant interest rate risk.

**Credit risk**

Credit risk is the risk that the contract party in a financial instrument will not satisfy its obligation, which means the Sub-fund will have to recognise a financial loss. The amount that best represents the maximum credit risk is € 199,913 (2019: € 319,329).

The Sub-fund does not invest in monetary financial instruments and is consequently not exposed to significant credit risk.

**Liquidity risk**

Liquidity risk, also called funding risk, is the risk that the legal entity will be unable to secure the financial resources needed to satisfy obligations under the financial instruments. Liquidity risk can arise, for instance, if a financial asset cannot be sold at fair value in the short term.

Shares in the Sub-funds can be bought and sold on Euronext Amsterdam, whereby the Liquidity Provider ensures that there is both a bid and ask price at which the share can be traded. The Sub-fund's investments are likewise listed. Consequently the Sub-fund is not exposed to significant liquidity risk.

## VanEck Vectors™ European Equal Weight UCITS ETF

**8. Cost section****OCF (ongoing charges figure)**

The OCF is a measure of the ongoing costs charged to the Sub-fund during the reporting period. The following starting points are important for calculating the ongoing charges:

- The OCF shows the ratio of ongoing costs to average intrinsic value. The ongoing charges encompass all costs charged to the fund assets during the reporting period, with the exception of the spread applied for the entry and exit of shareholders, any performance fees and transaction costs of investments and interest charges on bank accounts. Performance fees must be presented separately, if applicable. No performance fee applies for the VanEck UCITS ETFs.
- The average intrinsic value is based on the intrinsic values on every day that the intrinsic value of the Sub-fund is determined during the reporting period.

(amounts x € 1.000)	2020	2019
<b>Average intrinsic value</b>	<b>37,867,191</b>	<b>43,469,634</b>
Total costs within the Sub fund	75,698	86,923
<b>OCF</b>	<b>0.20%</b>	<b>0.20%</b>

**Comparison of costs to prospectus over 2020 financial year**

(amounts x € 1)	Amount	%	Prospectus
Total costs within the Sub fund	75,698	0.20%	0.20%
<b>Total</b>	<b>75,698</b>	<b>0.20%</b>	<b>0.20%</b>

The percentage is calculated with respect to the average assets as used for the OCF.

**Portfolio Turnover ratio**

The Portfolio Turnover ratio (PTR) gives an indication of the turnover rate of the Sub-fund's portfolio. This indicator gives an impression of the relative transaction costs involved in the differences in portfolio management.

The PTR is calculated as follows:

$$[(\text{Total 1} - \text{Total 2}) / X] * 100$$

Total 1: the total amount in securities transactions (securities purchases + securities sales)

Total 2: the total amount in transactions (issue + purchases) of participation rights in the investment institution

X: the average intrinsic value of the investment institution.

An PTR of 27.0% is calculated using this formula (2019: 26.3%). This means that in 2020, purchases and sales took place in the amount of 0.3 times the average intrinsic value of the Sub-fund. This amount has been corrected for the regular purchases and sales performed on account of entries and exits.

# VanEck Vectors™ ETFs N.V.

Annual Report 2020

Serie M

Van Eck Vectors™ Morningstar North America Equal Weight UCITS ETF

# VanEck®

Access the opportunities.

## VanEck Vectors™ Morningstar North America Equal Weight UCITS ETF

## General Information

## Investment policy

The aim of the VanEck Vectors™ Morningstar North America Equal Weight UCITS ETF is to follow the Morningstar® North America Equal Weight 100 Index as closely as possible.

The (general) criteria below apply to the (composition of the) Morningstar North America Equal Weight 100 Index:

- the universe is determined based on the Morningstar® Developed Americas Index;
- the 100 largest shares are selected from this based on free float market capitalisation;
- the index is equally weighted on the reweighting date, after that the weighting can vary due to price fluctuations;
- the index is reweighted annually on the third Friday of June so that the 100 shares are again equally weighted.

Shares can also be added or removed. If this is not a Trading Day, the reweighting takes place on the next Trading Day; and

- the 100 largest shares are determined on the last trading day in May.

## Key figures Series M: VanEck Vectors™ Morningstar North America Equal Weight UCITS ETF

(amounts x € 1)	2020	2019	2018	2017	2016
<i>Summary per share<sup>13</sup></i>					
Changes in the value of investments	0.75	8.04	(0.35)	0.86	2.69
Direct returns	0.72	0.71	0.64	0.59	0.56
<b>Total operating income</b>	<b>1.47</b>	<b>8.75</b>	<b>0.29</b>	<b>1.45</b>	<b>3.25</b>
Management costs and interest charges	(0.07)	(0.07)	(0.06)	(0.06)	(0.05)
Other expenses	(0.00)	(0.01)	(0.01)	(0.00)	(0.00)
<b>Total operating expenses</b>	<b>(0.07)</b>	<b>(0.08)</b>	<b>(0.07)</b>	<b>(0.06)</b>	<b>(0.05)</b>
Distribution	0.58	0.65	0.54	0.55	0.53
Fund assets	8,101,655	6,276,624	4,870,414	4,926,790	3,383,412
Number of outstanding shares	215,255	175,255	175,255	175,255	125,000
Intrinsic value per share	37.64	35.81	27.79	28.11	27.07
Fund performance	6.90%	31.39%	0.69%	5.93%	13.32%
Benchmark performance	7.34%	31.86%	0.97%	6.26%	13.80%

<sup>13</sup> The summary per share is calculated by dividing the result by average number of shares.



## 4.18 Financial statements VanEck Vectors™ Morningstar North America Equal Weight UCITS ETF

### 4.18.1. Statement of financial position

(amounts x € 1)		2020	2019 (Restated)
<b>ASSETS</b>			
Cash and cash equivalents	{1}	2,225,412	6,171
<u>Investments</u>			
Equity instruments		7,836,681	6,146,560
Indirect real estate		262,729	120,025
<b>Investments</b>	{2}	<b>8,099,410</b>	<b>6,266,585</b>
Receivables	{3}	7,222	5,615
<b>Total assets</b>		<b>10,332,044</b>	<b>6,278,371</b>
<b>LIABILITIES</b>			
Other payables	{5}	2,230,389	1,747
<b>Net assets attributable to shareholders</b>	{4}	<b>8,101,655</b>	<b>6,276,624</b>
<b>Total liabilities</b>		<b>10,332,044</b>	<b>6,278,371</b>

The numbers next to the items refer to the notes to the statement of financial position and statement of profit and loss and other comprehensive income. The notes form an integral part of the financial statements.

**4.18.2. Statement of profit and loss and other comprehensive income**

(amounts x € 1)	2020	2019
<b>Investment result</b>		
Changes in the value of investments	196,327	1,408,557
Interest income	9	77
Interest expense	(134)	(68)
Dividend income	188,670	124,420
Foreign exchange differences	(24,751)	22
<b>Total investment result</b>	<b>360,121</b>	<b>1,533,008</b>
Management costs {8}	(18,017)	(11,462)
Other expenses	(1,044)	(1,420)
<b>Total expenses</b>	<b>(19,061)</b>	<b>(12,882)</b>
<b>Distribution</b>	<b>(159,648)</b>	<b>(113,916)</b>
<b>Increase in the net assets attributable to shareholders</b>	<b>181,412</b>	<b>1,406,210</b>

The numbers next to the items refer to the notes to the statement of financial position and statement of profit and loss and other comprehensive income. The notes form an integral part of the financial statements.

**4.18.3. Statement of cash flows**

(amounts x € 1)	2020	2019
Purchases of investments	(5,743,249)	(1,239,714)
Sales of investments	4,106,751	1,242,460
Interest received	9	13
Interest paid	(127)	-
Dividends received	187,063	125,903
Management costs paid	(17,450)	(11,251)
Other expenses paid	(1,047)	(1,773)
<b>Cash flow from operating activities</b>	<b>(1,468,050)</b>	<b>115,638</b>
Issue of shares	3,871,690	-
Distribution	(159,648)	(113,385)
<b>Net cash flow from financing activities</b>	<b>3,712,042</b>	<b>(113,385)</b>
Foreign exchange differences	(24,751)	22
<b>Net cash flow</b>	<b>2,219,241</b>	<b>2,275</b>
Cash and cash equivalents at beginning of the period	6,171	3,896
<b>Cash and cash equivalents at end of the period</b>	<b>2,225,412</b>	<b>6,171</b>

The notes form an integral part of the financial statements.

**4.18.4. Statement of changes in net assets attributable to shareholders**

(amounts x € 1)	2020	2019
<b>Net assets attributable to redeemable participating shareholders at the beginning of the financial year</b>	<b>6,276,624</b>	<b>4,870,414</b>
Proceeds from the issuance of redeemable participating shares	3,871,690	-
Payments for the redemption of redeemable participating shares	(2,228,071)	-
Increase/decrease in the net assets attributable to shareholders	181,412	1,406,210
<b>Net assets attributable to redeemable participating shareholders at the end of the financial year</b>	<b>8,101,655</b>	<b>6,276,624</b>
<b>Number of redeemable participating shares</b>		
Redeemable participating shares at the beginning of the financial year	175,255	175,255
Issuance of redeemable participating shares	100,000	-
Repurchase of redeemable participating shares	(60,000)	-
<b>Redeemable participating shares at the end of the financial year</b>	<b>215,255</b>	<b>175,255</b>

**4.18.5. Notes****Accounting policies**

For the accounting policies used for the financial statements, refer to the Company's accounting policies as set out in chapter 4.5.

**Correction of error**

During the financial closing of the 2020 annual report, an error was identified in the classification of the puttable shares as equity. Based on IAS 32.16A, the puttable shares should have been classified as a liability since the expected cash flows attributable over the life of the instrument and the pro-rata claim in the event of the fund's liquidation is different per sub-fund.

Carrying amount (amounts x € 1)	Original 2019	Restated 2019
<b>Statement of financial position as of 31 December</b>		
Equity	6,276,624	-
Net assets attributable to shareholders	-	6,276,624
<b>Total</b>	<b>6,276,624</b>	<b>6,276,624</b>
<b>Statement of profit and loss and other comprehensive income</b>		
Distribution	-	(113,916)
Total Result	1,406,210	-
Increase in the net assets attributable to shareholders	-	1,520,126
<b>Total</b>	<b>1,406,210</b>	<b>1,406,210</b>

As we consider the error material we applied IAS 8 ('Accounting Policies, Changes in Accounting Estimates and Errors') and adjusted the comparative financial figures for the above accounts in the 2019 financial statements. The error does impact the classification of the results puttable shares and impact the result. The error doesn't impact the result or the NAV per share.

For previous years the same classification would apply and it would not impact the Net Asset Value for these years.

## Notes to the statement of financial position and statement of profit and loss and other comprehensive income

## 1. Cash and cash equivalents

At 31 December 2020 there are no restrictions on the use of the cash and cash equivalents.

The Foreign exchange rates as of 31 December 2020 are as follows:

Foreign currency	31 December 2020	Average of 2020	31 December 2019	Average of 2019
CAD	1.5588	1.5290	1.4556	1.4850
USD	1.2236	1.1400	1.1225	1.1192

## 2. Investments

## Summary of changes in the investments according to characteristic of financial instrument

(amounts x € 1)	2020	2019
<b>Equity instruments</b>		
Opening balance	6,146,560	4,797,400
Purchases of investments	5,469,813	1,183,811
Sales of investments	(3,999,513)	(1,212,052)
Changes in value	219,821	1,377,401
<b>Closing balance equity instruments</b>	<b>7,836,681</b>	<b>6,146,560</b>
<b>Indirect real estate</b>		
Opening balance	120,025	63,378
Purchases of investments	273,436	55,899
Sales of investments	(107,238)	(30,408)
Changes in value	(23,494)	31,156
<b>Closing balance indirect real estate</b>	<b>262,729</b>	<b>120,025</b>
<b>Total investments</b>		
Opening balance	6,266,585	4,860,778
Purchases of investments	5,743,249	1,239,710
Sales of investments	(4,106,751)	(1,242,460)
Changes in value	196,327	1,408,557
<b>Closing balance total investments</b>	<b>8,099,410</b>	<b>6,266,585</b>

The table below provides an analysis of the financial instruments measured at fair value, per valuation method.

## VanEck Vectors™ Morningstar North America Equal Weight UCITS ETF

## Composition of investments according to valuation technique

(amounts x € 1)	2020	2019
Level 1	8,099,410	6,266,585
<b>Total</b>	<b>8,099,410</b>	<b>6,266,585</b>

All the investments of the Sub-fund are listed and therefore classified as level 1 investments.

## Composition of investments according to valuation technique

(amounts x € 1)	2020		
	Currency	Market value	% of NAV
<b>Equity instruments</b>			
Tesla Inc	USD	236,464	2.9
QUALCOMM Inc	USD	115,170	1.4
Advanced Micro Devices Inc	USD	109,808	1.4
United Parcel Service Inc	USD	108,592	1.3
Shopify Inc	CAD	105,116	1.3
Apple Inc	USD	103,458	1.3
Walt Disney Co/The	USD	102,025	1.3
Target Corp	USD	101,138	1.2
PayPal Holdings Inc	USD	100,682	1.2
Other		6,754,228	83.4
<b>Total equity instruments</b>		<b>7,836,681</b>	<b>96.7</b>
<b>Indirect real estate</b>			
Prologis Inc	USD	71,107	0.9
Equinix Inc	USD	70,627	0.9
Crown Castle International Corp	USD	62,841	0.8
American Tower Corp	USD	58,154	0.7
<b>Total indirect real estate</b>		<b>262,729</b>	<b>3.3</b>
<b>Total investments</b>		<b>8,099,410</b>	<b>100.0</b>

## 3. Receivables

(amounts x € 1)	2020	2019
Dividend receivable	7,222	5,615
<b>Total</b>	<b>7,222</b>	<b>5,615</b>

**4. Summary of changes in the assets under management**

(amounts x € 1)	2020	2019
<b>Opening balance</b>	<b>6,276,624</b>	<b>4,870,414</b>
Issue of shares	3,871,690	-
Purchase of shares	(2,228,071)	-
Distribution	(159,648)	(113,916)
Interest income	9	77
Interest expense	(134)	(68)
Dividend income	188,670	124,420
Changes in the value of investments	196,327	1,408,557
Management fee	(18,017)	(11,462)
Exchange rate differences	(24,751)	22
Other expenses	(1,044)	(1,420)
<b>Closing balance</b>	<b>8,101,655</b>	<b>6,276,624</b>

During the financial closing of the 2020 annual report, an error was identified in the classification of the puttable shares as equity. Based on IAS 32.16A, the puttable shares should have been classified as a liability since the expected cash flows attributable over the life of the instrument and pro-rata claim in the event of the entity's liquidation is different per sub-fund. The error in the financial statements of 2019 resulted in the reclassification of the puttable instruments from equity to liability.

As we consider the error material we applied IAS 8 ('Accounting Policies, Changes in Accounting Estimates and Errors') and adjusted the equity amounts to liability in the comparative financial statements. The error does impact the classification of the results on puttable shares. The error doesn't impact the result or the NAV per share.

**5. Other payables**

(amounts x € 1)	2020	2019
Interest payable	7	-
Management costs payable	1,630	1,063
Dividend tax payable	681	681
Payable for shares redeemed	2,228,071	-
Other short-term debts	-	3
<b>Total</b>	<b>2,230,389</b>	<b>1,747</b>

**6. Related parties**

A party is an related party if one party can exercise control over the other party or exert significant influence on the other party's financial and operational policy.

VanEck Asset Management B.V. is the Company's director according to the articles of association and acts as Manager of the Company.

The management costs include all costs relating to the management of a fund, such as the management fee, costs of the custodial bank and the payment office, the listing costs, auditor's fee, costs of the purchase and issue of shares, the costs of having the Sub-funds correspond to the relevant index and the administration costs. The management costs are deducted daily from the definitive Net Intrinsic Value of a share in a Sub-fund. The management costs for the period from 1 January 2020 to 31 December 2020 amount to € 18,017 (same period in 2019: € 11,462).

**7. Risks with regard to the financial instruments****Market risk**

In terms of market risk, a distinction can be made between:

- Currency risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in exchange rates;
- Other price risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in market prices caused by factors that apply exclusively for the individual instrument or emitting party, or by factors that affect all instruments traded on the market;
- Interest rate risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in the market interest rate.

The notion of market risk encompasses not only the likelihood of losses, but also the likelihood of gains.

**Currency risk**

The fund has investments denominated in foreign currency and is therefore exposed to significant currency risk.

(amounts x € 1)		2020		2019	
Currency	Amount	% of the NAV	Amount	% of the NAV	
US dollar	9,903,075	122.2	5,975,230	95.2	
Euro*	(2,221,951)	(27.4)	6,311	0.1	
Canadian dollar	420,531	5.2	295,083	4.7	
<b>Total</b>	<b>8,101,655</b>	<b>100.0</b>	<b>6,276,624</b>	<b>100.0</b>	

\* This position is caused by a payable for shares redeemed due to the purchase of own shares.

A 5% increase in the relevant currency, starting on the statement of financial position date and applicable for every currency, would result in a profit increase for the reporting period as shown in the table below.

(amounts x € 1)		2020		2019	
Currency	Amount	% of the NAV	Amount	% of the NAV	
US dollar	495,154	6.1	298,762	4.8	
Canadian dollar	21,027	0.3	14,754	0.2	

A 5% decrease in a currency would have an impact of the same magnitude in the opposite direction.



**Market risk**

The risk as a result of changes in market prices is limited by diversifying the investments in the portfolio as much as possible by region and sector.

**Portfolio distribution by sector**

(amounts x € 1)		2020		2019	
Sector	Amount	% of the NAV	Amount	% of the NAV	
Non-cyclical consumer goods	2,277,892	28.2	1,636,373	25.9	
Technology	1,464,961	18.1	888,541	14.2	
Financial	1,287,886	15.9	1,084,114	17.3	
Communications	996,813	12.3	743,961	11.9	
Cyclical consumer goods	850,277	10.5	472,408	7.5	
Industrial	740,883	9.1	841,484	13.4	
Other sectors	480,698	5.9	599,704	9.6	
<b>Total</b>	<b>8,099,410</b>	<b>100.0</b>	<b>6,266,585</b>	<b>99.8</b>	

A 5% increase in the relevant sector, starting on the statement of financial position date and applicable for every sector, would result in a profit increase for the reporting period as shown in the table below.

(amounts x € 1)		2020		2019	
Sector	Amount	% of the NAV	Amount	% of the NAV	
Non-cyclical consumer goods	113,895	1.4	81,819	1.3	
Technology	73,248	0.9	44,427	0.7	
Financial	64,394	0.8	54,206	0.9	
Communications	49,841	0.6	37,198	0.6	
Cyclical consumer goods	42,514	0.5	23,620	0.4	
Industrial	37,044	0.5	42,074	0.7	

A 5% decrease in the sector would have an impact of the same magnitude in the opposite direction.

**Portfolio distribution by country**

(amounts x € 1)		2020		2019	
Country	Amount	% of the NAV	Amount	% of the NAV	
United States	7,679,335	94.8	5,971,763	95.1	
Canada	420,075	5.2	294,822	4.7	
<b>Total</b>	<b>8,099,410</b>	<b>100.0</b>	<b>6,266,585</b>	<b>99.8</b>	

Country risk relates to uncertainty associates with investing in a certain country, which may be caused by political, economic, or technological influences. A 5% decrease in the relevant country, starting on the statement of financial position date and applicable for every country, would result in losses for the reporting period as shown in the table below.

(amounts x € 1)		2020		2019	
Country	Amount	% of the NAV	Amount	% of the NAV	
United States	383,967	4.7	298,588	4.8	
Canada	21,004	0.3	14,741	0.2	

**Interest rate risk**

The Sub-fund does not invest in fixed-interest financial instruments and is consequently not exposed to significant interest rate risk.

**Credit risk**

Credit risk is the risk that the contract party in a financial instrument will not satisfy its obligation, which means the Sub-fund will have to recognise a financial loss. The amount that best represents the maximum credit risk is € 2,232,634 (2019: € 11,786).

The Sub-fund does not invest in monetary financial instruments and is consequently not exposed to significant credit risk.

**Liquidity risk**

Liquidity risk, also called funding risk, is the risk that the legal entity will be unable to secure the financial resources needed to satisfy obligations under the financial instruments. Liquidity risk can arise, for instance, if a financial asset cannot be sold at fair value in the short term.

Shares in the Sub-funds can be bought and sold on Euronext Amsterdam, whereby the Liquidity Provider ensures that there is both a bid and ask price at which the share can be traded. The Sub-fund's investments are likewise listed. Consequently the Sub-fund is not exposed to significant liquidity risk.

**8. Cost section****OCF (ongoing charges figure)**

The OCF is a measure of the ongoing costs charged to the Sub-fund during the reporting period. The following starting points are important for calculating the ongoing charges:

- The OCF shows the ratio of ongoing costs to average intrinsic value. The ongoing charges encompass all costs charged to the fund assets during the reporting period, with the exception of the spread applied for the entry and exit of shareholders, any performance fees and transaction costs of investments and interest charges on bank accounts. Performance fees must be presented separately, if applicable. No performance fee applies for the VanEck UCITS ETFs.
- The average intrinsic value is based on the intrinsic values on every day that the intrinsic value of the Sub-fund is determined during the reporting period.

(amounts x € 1.000)	2020	2019
<b>Average intrinsic value</b>	<b>9,027,029</b>	<b>5,725,465</b>
Total costs within the Sub fund	18,017	11,462
<b>OCF</b>	<b>0.20%</b>	<b>0.20%</b>

**Comparison of costs to prospectus over 2020 financial year**

(amounts x € 1)	Amount	%	Prospectus
Total costs within the Sub fund	18,017	0.20%	0.20%
<b>Total</b>	<b>18,017</b>	<b>0.20%</b>	<b>0.20%</b>

The percentage is calculated with respect to the average assets as used for the OCF.

**Portfolio Turnover ratio**

The Portfolio Turnover ratio (PTR) gives an indication of the turnover rate of the Sub-fund's portfolio. This indicator gives an impression of the relative transaction costs involved in the differences in portfolio management.

The PTR is calculated as follows:

$$[(\text{Total 1} - \text{Total 2}) / X] * 100$$

Total 1: the total amount in securities transactions (securities purchases + securities sales)

Total 2: the total amount in transactions (issue + purchases) of participation rights in the investment institution

X: the average intrinsic value of the investment institution.

An PTR of 41.5% is calculated using this formula (2019: 43.3%). This means that in 2020, purchases and sales took place in the amount of 0.4 times the average intrinsic value of the Sub-fund. This amount has been corrected for the regular purchases and sales performed on account of entries and exits.

# VanEck Vectors™ ETFs N.V.

Annual Report 2020

Serie N

VanEck Vectors™ Morningstar Developed Markets Dividend Leaders UCITS  
ETF

# VanEck®

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## General Information

### Investment policy

The aim of the VanEck Vectors™ Morningstar Developed Markets Dividend Leaders UCITS ETF is to follow the Morningstar® Developed Markets Large Cap Dividend Leaders Index as closely as possible.

The (general) criteria below apply to the (composition of the) Morningstar Developed Markets Large Cap Dividend Leaders Index:

- the universe is determined based on the Morningstar® Global Markets ex-US Index and Morningstar® US Market Index;
- companies are eligible for inclusion in the index if various criteria based on (historical) Distributions are met;
- from these, the 100 shares with the highest dividend yield are selected;
- on the reweighting date, the index is weighted based on the total dividend made available. The available dividend is calculated by multiplying the freely tradable outstanding shares by the last annual dividend. After that the weighting can vary due to price fluctuations;
- the weighting in the index is capped at 40% per sector. In addition to this, the maximum weighting per share is 5%;
- the index is reweighted semi-annually on the third Friday of June and December. Shares can also be added or removed; and
- the 100 largest shares are determined on the basis of dividend yield on the last trading day in May and November.

### Key figures Series N: VanEck Vectors™ Morningstar Developed Markets Dividend Leaders UCITS ETF

(amounts x € 1)		2019	2018	2017	20 May through 31 December 2016
<i>Summary per share<sup>14</sup></i>					
Changes in the value of investments	(3.86)	4.26	(3.20)	(0.26)	4.46
Direct returns	1.15	1.46	1.28	1.24	0.41
<b>Total operating income</b>	<b>(2.71)</b>	<b>5.72</b>	<b>1.92</b>	<b>0.98</b>	<b>4.87</b>
Management costs and interest charges	(0.09)	(0.11)	(0.11)	(0.11)	(0.06)
Other expenses	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)
<b>Total operating expenses</b>	<b>(0.09)</b>	<b>(0.11)</b>	<b>(0.11)</b>	<b>(0.11)</b>	<b>(0.07)</b>
Distribution	1.04	1.29	1.25	1.13	0.32
Fund assets	35,470,815	33,973,289	22,707,610	18,569,347	11,503,941
Number of outstanding shares	1,400,000	1,150,000	900,000	650,000	400,000
Intrinsic value per share	25.34	29.54	25.23	28.57	28.76
Yield (%)	(10,36%)	22.48%	(7.53%)	3.31%	16.50%
Benchmark yield (%)	(9,95%)	23.22%	(7.13%)	3.85%	17.20%

<sup>14</sup> The summary per share is calculated by dividing the result by average number of shares.

## 4.19 Financial statements VanEck Vectors™ Morningstar Developed Markets Dividend Leaders UCITS ETF

### 4.19.1. Statement of financial position

(amounts x € 1)		2020	2019 (Restated)
<b>ASSETS</b>			
Cash and cash equivalents	{1}	70,292	77,680
<u>Investments</u>			
Equity instruments		34,754,671	33,414,484
Indirect real estate		585,448	399,051
<b>Investments</b>	{2}	<b>35,340,119</b>	<b>33,813,535</b>
Receivables	{3}	103,699	118,996
<b>Total assets</b>		<b>35,514,110</b>	<b>34,010,211</b>
<b>LIABILITIES</b>			
Other payables	{5}	43,295	36,922
<b>Net assets attributable to shareholders</b>	{4}	<b>35,470,815</b>	<b>33,973,289</b>
<b>Total liabilities</b>		<b>35,514,110</b>	<b>34,010,211</b>

The numbers next to the items refer to the notes to the statement of financial position and statement of profit and loss and other comprehensive income. The notes form an integral part of the financial statements.

**4.19.2. Statement of profit and loss and other comprehensive income**

(amounts x € 1)	2020	2019 (Restated)
<b>Investment result</b>		
Changes in the value of investments	(5,060,964)	4,251,006
Interest income	86	216
Interest expense	(1,053)	(889)
Dividend income	1,512,381	1,457,344
Foreign exchange differences	(17,741)	2,854
<b>Total investment result</b>	<b>(3,567,291)</b>	<b>5,710,531</b>
Management costs {8}	(121,252)	(106,697)
Other expenses	(3,916)	(2,605)
<b>Total expenses</b>	<b>(125,168)</b>	<b>(109,302)</b>
<b>Distribution</b>	<b>(1,414,000)</b>	<b>(1,319,000)</b>
<b>Increase/decrease in the net assets attributable to shareholders</b>	<b>(5,106,459)</b>	<b>4,282,229</b>

The numbers next to the items refer to the notes to the statement of financial position and statement of profit and loss and other comprehensive income. The notes form an integral part of the financial statements.

**4.19.3. Statement of cash flows**

(amounts x € 1)	2020	2019
Purchases of investments	(33,238,741)	(18,547,749)
Sales of investments	26,651,197	11,625,582
Interest paid	(897)	(672)
Dividends received	1,514,133	1,434,908
Management costs paid	(120,769)	(103,263)
Other expenses paid	(2,166)	(2,605)
<b>Cash flow from operating activities</b>	<b>(5,197,243)</b>	<b>(5,663,311)</b>
Issue of shares	8,950,215	6,983,450
Repurchase of shares	(2,346,230)	-
Distribution	(1,396,385)	(1,320,139)
<b>Net cash flow from financing activities</b>	<b>5,207,600</b>	<b>5,663,311</b>
Foreign exchange differences	(17,745)	2,854
<b>Net cash flow</b>	<b>(7,388)</b>	<b>72,366</b>
Cash and cash equivalents at beginning of the period	77,680	5,314
<b>Cash and cash equivalents at end of the period</b>	<b>70,292</b>	<b>77,680</b>

The notes form an integral part of the financial statements.

**4.19.4. Statement of changes in net assets attributable to shareholders**

(amounts x € 1)	2020	2019
<b>Net assets attributable to redeemable participating shareholders at the beginning of the financial year</b>	<b>33,973,289</b>	<b>22,707,610</b>
Proceeds from the issuance of redeemable participating shares	8,950,215	6,983,450
Payments for the redemption of redeemable participating shares	(2,346,230)	-
Increase/decrease in the net assets attributable to shareholders	(5,106,459)	4,282,229
<b>Net assets attributable to redeemable participating shareholders at the end of the financial year</b>	<b>35,470,815</b>	<b>33,973,289</b>
<b>Number of redeemable participating shares</b>		
Redeemable participating shares at the beginning of the financial year	1,150,000	900,000
Issuance of redeemable participating shares	350,000	250,000
Repurchase of redeemable participating shares	(100,000)	-
<b>Redeemable participating shares at the end of the financial year</b>	<b>1,400,000</b>	<b>1,150,000</b>



**4.19.5. Notes****Accounting policies**

For the accounting policies used for the financial statements, refer to the Company's accounting policies as set out in chapter 4.5.

**Correction of error**

During the financial closing of the 2020 annual report, an error was identified in the classification of the puttable shares as equity. Based on IAS 32.16A, the puttable shares should have been classified as a liability since the expected cash flows attributable over the life of the instrument and the pro-rata claim in the event of the fund's liquidation is different per sub-fund.

Carrying amount (amounts x € 1)	Original 2019	Restated 2019
<b>Statement of financial position as of 31 December</b>		
Equity	33,973,289	-
Net assets attributable to shareholders	-	33,973,289
<b>Total</b>	<b>33,973,289</b>	<b>33,973,289</b>
<b>Statement of profit and loss and other comprehensive income</b>		
Distribution	-	(1,319,000)
Total Result	4,282,229	-
Increase in the net assets attributable to shareholders	-	5,601,229
<b>Total</b>	<b>4,282,229</b>	<b>4,282,229</b>

As we consider the error material we applied IAS 8 ('Accounting Policies, Changes in Accounting Estimates and Errors') and adjusted the comparative financial figures for the above accounts in the 2019 financial statements. The error does impact the classification of the results puttable shares and impact the result. The error doesn't impact the result or the NAV per share.

For previous years the same classification would apply and it would not impact the Net Asset Value for these years.

**Notes to the statement of financial position and statement of profit and loss and other comprehensive income****1. Cash and cash equivalents**

At 31 December 2020 there are no restrictions on the use of the cash and cash equivalents.

The Foreign exchange rates as of 31 December 2020 are as follows:

Foreign currency	31 December 2020	Average of 2020	31 December 2019	Average of 2019
AUD	1.5856	1.6534	1.5969	1.6102
CAD	1.5588	1.5290	1.4556	1.4850
CHF	1.0816	1.0702	1.0870	1.1121
DKK	7.4435	7.4542	7.4725	7.4661
GBP	0.8951	0.8889	0.8474	0.8769
HKD	9.4873	8.8418	8.7463	8.7695
JPY	126.3255	121.7419	121.9877	121.9755
NOK	10.4760	10.7101	9.8638	9.8474
SEK	10.0485	10.4809	10.5078	10.5852
SGD	1.6171	1.5728	1.5094	1.5269
USD	1.2236	1.1400	1.1225	1.1192

**2. Investments****Summary of changes in the investments according to characteristic of financial instrument**

(amounts x € 1)	2020	2019
<b>Equity instruments</b>		
Opening balance	33,414,484	22,471,442
Purchases of investments	32,882,007	18,162,464
Sales of investments	(26,594,950)	(11,452,819)
Changes in value	(4,946,870)	4,233,397
<b>Closing balance equity instruments</b>	<b>34,754,671</b>	<b>33,414,484</b>
<b>Indirect real estate</b>		
Opening balance	399,051	168,920
Purchases of investments	356,738	385,285
Sales of investments	(56,247)	(172,763)
Changes in value	(114,094)	17,609
<b>Closing balance indirect real estate</b>	<b>585,448</b>	<b>399,051</b>
<b>Total investments</b>		
Opening balance	33,813,535	22,640,362
Purchases of investments	33,238,745	18,547,749
Sales of investments	(26,651,197)	(11,625,582)
Changes in value	(5,060,964)	4,251,006
<b>Closing balance total investments</b>	<b>35,340,119</b>	<b>33,813,535</b>

The table below provides an analysis of the financial instruments measured at fair value, per valuation method.

**Composition of investments according to valuation technique**

(amounts x € 1)	2020	2019
Level 1	35,340,119	33,813,535
<b>Total</b>	<b>35,340,119</b>	<b>33,813,535</b>

All the investments of the Sub-fund are listed and therefore classified as level 1 investments.

## Composition of investments according to valuation technique

(amounts x € 1)	2020		
	Currency	Market value	% of NAV
<b>Equity instruments</b>			
AT&T Inc	USD	1,608,144	4.5
Novartis AG	CHF	1,561,627	4.4
Verizon Communications Inc	USD	1,546,260	4.4
AbbVie Inc	USD	1,537,082	4.3
Rio Tinto PLC	GBP	1,134,394	3.2
British American Tobacco PLC	GBP	1,133,935	3.2
Altria Group Inc	USD	1,122,721	3.2
International Business Machines Corp	USD	1,077,884	3.0
Broadcom Inc	USD	1,030,972	2.9
GlaxoSmithKline PLC	GBP	977,676	2.8
Other		22,023,976	62.1
<b>Total equity instruments</b>		<b>34,754,671</b>	<b>98.0</b>
<b>Indirect real estate</b>			
Sun Hung Kai Properties Ltd	HKD	179,188	0.5
CK Asset Holdings Ltd	HKD	106,975	0.3
New World Development Co Ltd	HKD	70,326	0.2
Daito Trust Construction Co Ltd	JPY	68,680	0.2
Henderson Land Development Co Ltd	HKD	57,393	0.2
CapitalLand Ltd	SGD	43,203	0.1
Hang Lung Properties Ltd	HKD	34,488	0.1
Swire Properties Ltd	HKD	25,195	0.1
<b>Total indirect real estate</b>		<b>585,448</b>	<b>1.7</b>
<b>Total investments</b>		<b>35,340,119</b>	<b>99.7</b>

## 3. Receivables

(amounts x € 1)	2020	2019
Interest receivable	-	1
Dividend receivable	65,821	67,573
Dividend tax receivable	37,878	51,422
<b>Total</b>	<b>103,699</b>	<b>118,996</b>

**4. Summary of changes in the assets under management**

(amounts x € 1)	2020	2019
<b>Opening balance</b>	<b>33,973,289</b>	<b>22,707,610</b>
Issue of shares	8,950,215	6,983,450
Purchase of shares	(2,346,230)	-
Distribution	(1,414,000)	(1,319,000)
Interest income	86	216
Interest expense	(1,053)	(889)
Dividend income	1,512,381	1,457,344
Changes in the value of investments	(5,060,964)	4,251,006
Management fee	(121,252)	(106,697)
Exchange rate differences	(17,741)	2,854
Other expenses	(3,916)	(2,605)
<b>Closing balance</b>	<b>35,470,815</b>	<b>33,973,289</b>

During the financial closing of the 2020 annual report, an error was identified in the classification of the puttable shares as equity. Based on IAS 32.16A, the puttable shares should have been classified as a liability since the expected cash flows attributable over the life of the instrument and pro-rata claim in the event of the entity's liquidation is different per sub-fund. The error in the financial statements of 2019 resulted in the reclassification of the puttable instruments from equity to liability.

As we consider the error material we applied IAS 8 ('Accounting Policies, Changes in Accounting Estimates and Errors') and adjusted the equity amounts to liability in the comparative financial statements. The error does impact the classification of the results on puttable shares. The error doesn't impact the result or the NAV per share.

**5. Other payables**

(amounts x € 1)	2020	2019
Interest payable	69	-
Management costs payable	11,429	10,946
Dividend tax payable	28,547	24,476
Other short-term debts	3,250	1,500
<b>Total</b>	<b>43,295</b>	<b>36,922</b>

## 6. Related parties

A party is an related party if one party can exercise control over the other party or exert significant influence on the other party's financial and operational policy.

VanEck Asset Management B.V. is the Company's director according to the articles of association and acts as Manager of the Company.

The management costs include all costs relating to the management of a fund, such as the management fee, costs of the custodial bank and the payment office, the listing costs, auditor's fee, costs of the purchase and issue of shares, the costs of having the Sub-funds correspond to the relevant index and the administration costs. The management costs are deducted daily from the definitive Net Intrinsic Value of a share in a Sub-fund. The management costs for the period from 1 January 2020 to 31 December 2020 amount to € 121,252 (same period in 2019: € 106,697).

## 7. Risks with regard to the financial instruments

### Market risk

In terms of market risk, a distinction can be made between:

- Currency risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in exchange rates;
- Other price risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in market prices caused by factors that apply exclusively for the individual instrument or emitting party, or by factors that affect all instruments traded on the market;
- Interest rate risk, which is the risk that the value of a financial instrument will fluctuate as the result of changes in the market interest rate.

The notion of market risk encompasses not only the likelihood of losses, but also the likelihood of gains.

### Currency risk

The fund has investments denominated in foreign currency and is therefore exposed to significant currency risk.

(amounts x € 1)	2020		2019	
Currency	Amount	% of the NAV	Amount	% of the NAV
US dollar	11,817,203	33.3	8,574,931	25.2
Euro	6,267,771	17.7	8,775,042	25.9
British pound	4,621,541	13.0	6,736,963	19.8
Japanese yen	4,397,891	12.4	3,188,122	9.4
Canadian dollar	4,108,769	11.6	1,651,438	4.9
Swiss franc	2,535,246	7.1	1,557,610	4.6
Other currencies	1,722,394	4.9	3,489,183	10.2
<b>Total</b>	<b>35,470,815</b>	<b>100.0</b>	<b>33,973,289</b>	<b>100.0</b>

## VanEck Vectors™ Morningstar Developed Markets Dividend Leaders UCITS ETF

A 5% increase in the relevant currency, starting on the statement of financial position date and applicable for every currency, would result in a profit increase for the reporting period as shown in the table below.

(amounts x € 1)				
	2020		2019	
Currency	Amount	% of the NAV	Amount	% of the NAV
US dollar	590,860	1.7	428,747	1.3
Euro	313,389	0.9	438,752	1.3
British pound	231,077	0.7	336,848	1.0
Japanese yen	219,895	0.6	159,406	0.5
Canadian dollar	205,438	0.6	82,572	0.2
Swiss franc	126,762	0.4	77,881	0.2

A 5% decrease in a currency would have an impact of the same magnitude in the opposite direction.

**Market risk**

The risk as a result of changes in market prices is limited by diversifying the investments in the portfolio as much as possible by region and sector.

**Portfolio distribution by sector**

(amounts x € 1)				
	2020		2019	
Sector	Amount	% of the NAV	Amount	% of the NAV
Financial	12,783,018	36.0	12,296,466	36.2
Non-cyclical consumer goods	8,309,811	23.4	5,281,359	15.5
Communications	4,205,405	11.9	4,165,456	12.3
Basic Materials	2,892,639	8.2	3,878,695	11.4
Utilities	2,354,971	6.6	1,254,777	3.7
Technology	2,108,856	5.9	1,047,841	3.1
Other sectors	2,685,419	7.6	5,888,941	17.3
<b>Total</b>	<b>35,340,119</b>	<b>99.6</b>	<b>33,813,535</b>	<b>99.5</b>

A 5% increase in the relevant sector, starting on the statement of financial position date and applicable for every sector, would result in a profit increase for the reporting period as shown in the table below.

(amounts x € 1)				
	2020		2019	
Sector	Amount	% of the NAV	Amount	% of the NAV
Financial	639,151	1.8	614,823	1.8
Consumer, Non-Cyclical	415,491	1.2	264,068	0.8
Communications	210,270	0.6	208,273	0.6
Basic Materials	144,632	0.4	193,935	0.6
Utilities	117,749	0.3	62,739	0.2
Technology	105,443	0.3	52,392	0.2

A 5% decrease in the sector would have an impact of the same magnitude in the opposite direction.

**Portfolio distribution by country**

(amounts x € 1)				
2020			2019	
Country	Amount	% of the NAV	Amount	% of the NAV
United States	11,720,981	33.0	8,560,763	25.2
Japan	4,396,654	12.4	3,183,438	9.4
Canada	4,099,061	11.6	1,646,975	4.8
United Kingdom	3,833,222	10.8	6,704,845	19.7
Germany	3,111,969	8.8	3,271,490	9.6
	2,531,673	7.1	1,555,741	4.6
Other countries	5,646,559	15.9	8,890,283	26.2
<b>Total</b>	<b>35,340,119</b>	<b>99.6</b>	<b>33,813,535</b>	<b>99.5</b>

Country risk relates to uncertainty associates with investing in a certain country, which may be caused by political, economic, or technological influences. A 5% decrease in the relevant country, starting on the statement of financial position date and applicable for every country, would result in losses for the reporting period as shown in the table below.

(amounts x € 1)				
2020			2019	
Country	Amount	% of the NAV	Amount	% of the NAV
United States	586,049	1.7	428,038	1.3
Japan	219,833	0.6	159,172	0.5
Canada	204,953	0.6	82,349	0.2
United Kingdom	191,661	0.5	335,242	1.0
Germany	155,598	0.4	163,575	0.5

**Interest rate risk**

The Sub-fund does not invest in fixed-interest financial instruments and is consequently not exposed to significant interest rate risk.

**Credit risk**

Credit risk is the risk that the contract party in a financial instrument will not satisfy its obligation, which means the Sub-fund will have to recognise a financial loss. The amount that best represents the maximum credit risk is € 173,991 (2019: € 196,676).

The Sub-fund does not invest in monetary financial instruments and is consequently not exposed to significant credit risk.

**Liquidity risk**

Liquidity risk, also called funding risk, is the risk that the legal entity will be unable to secure the financial resources needed to satisfy obligations under the financial instruments. Liquidity risk can arise, for instance, if a financial asset cannot be sold at fair value in the short term.

Shares in the Sub-funds can be bought and sold on Euronext Amsterdam, whereby the Liquidity Provider ensures that there is both a bid and ask price at which the share can be traded. The Sub-fund's investments are likewise listed. Consequently the Sub-fund is not exposed to significant liquidity risk.



**8. Cost section****OCF (ongoing charges figure)**

The OCF is a measure of the ongoing costs charged to the Sub-fund during the reporting period. The following starting points are important for calculating the ongoing charges:

- The OCF shows the ratio of ongoing costs to average intrinsic value. The ongoing charges encompass all costs charged to the fund assets during the reporting period, with the exception of the spread applied for the entry and exit of shareholders, any performance fees and transaction costs of investments and interest charges on bank accounts. Performance fees must be presented separately, if applicable. No performance fee applies for the VanEck UCITS ETFs.
- The average intrinsic value is based on the intrinsic values on every day that the intrinsic value of the Sub-fund is determined during the reporting period.

(amounts x € 1.000)	2020	2019
<b>Average intrinsic value</b>	<b>31,920,997</b>	<b>28,049,230</b>
Total costs within the Sub fund	121,252	106,697
<b>OCF</b>	<b>0.38%</b>	<b>0.38%</b>

**Comparison of costs to prospectus over 2020 financial year**

(amounts x € 1)	Amount	%	Prospectus
Total costs within the Sub fund	121,252	0.38%	0.38%
<b>Total</b>	<b>121,252</b>	<b>0.38%</b>	<b>0.38%</b>

The percentage is calculated with respect to the average assets as used for the OCF.

**Portfolio Turnover ratio**

The Portfolio Turnover ratio (PTR) gives an indication of the turnover rate of the Sub-fund's portfolio. This indicator gives an impression of the relative transaction costs involved in the differences in portfolio management.

The PTR is calculated as follows:

$$[(\text{Total 1} - \text{Total 2}) / X] * 100$$

Total 1: the total amount in securities transactions (securities purchases + securities sales)

Total 2: the total amount in transactions (issue + purchases) of participation rights in the investment institution

X: the average intrinsic value of the investment institution.

An PTR of 152.2% is calculated using this formula (2019: 82.7%). This means that in 2020, purchases and sales took place in the amount of 1.5 times the average intrinsic value of the Sub-fund. This amount has been corrected for the regular purchases and sales performed on account of entries and exits.

## 5. Other information

### Interests of the members of the Board of Directors

The members of the Board of Directors hold positions in the UCITS ETFs of VanEck and in the investments of these UCITS ETFs. The transactions by the members of the Board of Directors in VanEck are reported to the Compliance Officer in accordance with the rules for Private Investing Transactions.

Interests of the members of the Board of Directors	31 December 2020	31 December 2019
Serie A: VanEck Vectors™ AEX UCITS ETF	1,022	400
Serie B: VanEck Vectors™ AMX UCITS ETF	300	300
Serie C: VanEck Vectors™ Multi-Asset Conservative Allocation UCITS ETF	400	400
Serie D: VanEck Vectors™ Multi-Asset Balanced Allocation UCITS ETF	9,349	9,349
Serie E: VanEck Vectors™ Multi-Asset Growth Allocation UCITS ETF	2,502	2,502
Serie F: VanEck Vectors™ Global Equal Weight UCITS ETF	37,417	30,422
Serie G: VanEck Vectors™ Global Real Estate UCITS ETF	3,317	2,817
Serie H: VanEck Vectors™ iBoxx EUR Corporates UCITS ETF	15,676	13,879
Serie I: VanEck Vectors™ iBoxx EUR Sovereign Diversified 1-10 UCITS ETF	22,224	18,095
Serie J: VanEck Vectors™ iBoxx EUR Sovereign Capped AAA-AA 1-5 UCITS ETF	1,145	1,145
Serie K: VanEck Vectors™ Sustainable World Equal Weight UCITS ETF	396	214
Serie L: VanEck Vectors™ European Equal Weight UCITS ETF	1,566	2,405
Serie M: VanEck Vectors™ Morningstar North America Equal Weight UCITS ETF	1,718	1,718
Serie N: VanEck Vectors™ Morningstar Dev Markets Dividend Leaders UCITS ETF	34,931	7,873

Altogether, the members of VanEck's Board of Directors have invested approximately 4,4 million in the UCITS ETFs (2019: 3,1 million euros).

### Provisions in the articles of association concerning the appropriation of the result

According to article 22 of the articles of association, the company may only make distributions to the shareholders (and any other entitled parties) to the profit available for distribution insofar as the equity of the company exceeds the amount of the paid-up capital of the company plus the reserves that must be maintained pursuant to the law. Distribution of profits takes place after the adoption of the financial statements showing that such distribution is permissible.

From the profit shown by the adopted financial statements, first a dividend is paid out on the priority shares in the amount of four percent (4%) on the nominal amount paid-up on these shares.

### Special rights under the articles of association

These are the rights of the holders of priority shares in relation to the pre-emptive right upon the issue of priority shares, the first right to profit distribution as well as the convening of a meeting of holders of priority shares.

26 April 2021,

The Board of Directors,

G. Koning

M. Rozemuller

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**Independent auditor's report**



## Independent auditor's report

To: the shareholders of VanEck Vectors™ ETFs N.V. and VanEck Asset Management B.V.

### Report on the audit of the financial statements 2020 included in the annual report

#### Our opinion

We have audited the financial statements 2020 of VanEck Vectors™ ETFs N.V., based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of VanEck Vectors™ ETFs N.V. as at 31 December 2020 and of its result and its cash flows for 2020 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- ▶ Statement of financial position as of 31 December 2020
- ▶ The following statements for 2020: the statement of profit and loss and other comprehensive income, the cashflow statement and the statement of changes in Net assets attributable to shareholders;
- ▶ the notes comprising of a summary of the significant accounting policies and other explanatory information, including the financial statements of the sub-funds

#### Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the section "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of VanEck Vectors™ ETFs N.V. (the fund), in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Materiality

Materiality	The materiality is determined at sub-fund level of VanEck Vectors™ ETFs N.V.
Benchmark applied	0,5% of net assets attributable to shareholders per sub-fund.
Explanation	We consider the net assets attributable to shareholders per sub-fund an appropriate base for the determination of the materiality, as this is the (market) value which the shareholders are entitled to and is widely considered a key decision-making factor for shareholders.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the board of directors that misstatements in excess of 5% of the calculated materiality per sub-fund, which are identified during the audit, would be reported to the board of directors, as well as smaller misstatements that in our view must be reported on qualitative grounds.

#### Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the board of directors. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Existence, ownership and valuation of investments

Risk	<p>The net assets attributable to shareholders of the fund are invested primarily in listed shares and bonds. These investments are a significant factor in the financial position of the fund. We refer to Note 1. Investments for the fund and Note 1. Investments of the financial statements of each of the sub-funds for the composition of investments according to valuation technique.</p> <p>We do not consider these investments to be at a higher risk of significant misstatement, or to be subject to a significant degree of judgment, because the investments consist of financial instruments admitted to listing on a regulated market and therefore classified as Level 1 investments. However, due to the materiality in the context of the financial statements as a whole, the investments are the item that has the largest impact on our audit.</p>
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### Existence, ownership and valuation of investments

Our audit approach	<p>Our audit procedures regarding the existence, ownership and valuation of the listed investments consisted amongst others of:</p> <ul style="list-style-type: none"> <li>► Reconciling the valuation of the listed investments with at least one independent pricing source</li> <li>► Verifying existence and ownership of the listed investments with third party confirmation that we received directly from the custodian</li> </ul>
Key observations	The execution of these procedures did not yield significant findings with regard to the existence, ownership or valuation of the listed investments.

### Investment result

Risk	<p>The investment result is the main source of income of the fund and is therefore considered a key audit matter. Investment result comprises inter alia dividend income, interest income and changes in the value of investments.</p> <p>We refer to the tracking differences and tracking errors of the VanEck Vectors UCITS ETFs in the Report from the board of directors and the breakdown of the income in the statement of profit and loss and other comprehensive income and the related disclosures for the fund and for each of the sub-funds.</p>
Our audit approach	<p>Our audit procedures regarding investment result consisted amongst others of:</p> <ul style="list-style-type: none"> <li>► Understanding and evaluating the internal control, including relevant IT-systems and controls in place around transaction processing, corporate actions, reconciliation of investments and portfolio valuation. We obtained and evaluated independent reports on the design, implementation and operational effectiveness of relevant controls.</li> <li>► Performing detailed analytical procedures per sub-fund (data analytics) on all types of income from investments based on market data in relation to the investments and in relation to the index tracked by each of the sub-funds.</li> </ul>
Key observations	The execution of our audit procedures did not yield significant findings related to income from investments.

Outsourcing	
Risk	<p>The fund does not have any employees. The board of directors and management company of the fund, VanEck Asset Management B.V., performs the portfolio management and risk management activities of the fund. The registration of the shares, the financial administration and investment accounting were outsourced to CACEIS Bank in 2020.</p> <p>We consider outsourcing a key audit matter. The financial information received from these parties is used for the preparation of the financial statements of the fund. The board of directors is ultimately responsible for the full service chain, including the controlled and sound business processes of the management company. This comprises the following two aspects:</p> <ul style="list-style-type: none"> <li>▶ Controlling the business processes and operational risks managed by the management company and the fund's administrator (outsourced)</li> <li>▶ Mitigating integrity risks, which may result from potential conflicts of interest between the management company and the investors in the fund</li> </ul> <p>We draw attention to Note 4. Net assets attributable to shareholders to the financial statements of the fund. Per 31 December 2020 the issued and outstanding shares of the fund are below one tenth of the authorized shares.</p> <p>Article 2:98 of the Dutch Civil Code requires that the issued and outstanding shares of the fund, less the amount of shares it holds itself, is at least one tenth of the authorized shares. The board of directors has taken steps to remediate this situation.</p> <p>We refer to the risk management disclosure in the Report from the board of directors, and the statement concerning business operations from the management company of the fund, as well as to the disclosures on Outsourcing of tasks in the financial statements of the fund and on the ongoing charges figures (OCF) in the Cost section of the financial statements of each of the sub-funds.</p>
Our audit approach	<p>As part of our audit of the financial statements of the fund, we have focused on the controlled and sound business processes of the management company, in line with Practice Note 1142 from the professional body for accountants in the Netherlands (NBA) on the specific obligations from financial supervision laws and regulations for the internal auditor and the external auditor of (managers of) investment entities and investment firms. Our audit procedures consisted among others of:</p> <ul style="list-style-type: none"> <li>▶ Understanding and evaluating the internal control at the management company and other parties to which processes have been outsourced, including relevant IT-systems and controls. We obtained and evaluated independent reports on the design, implementation and operational effectiveness relevant controls at the management company and CACEIS Bank.</li> <li>▶ Confirming that the management company and the depositary hold the required licenses from the supervisory authorities.</li> </ul>



Outsourcing	
	<ul style="list-style-type: none"> <li>▶ Reading the correspondence with the supervisory authorities and the report from the independent depositary. In performing our audit procedures, we have remained alert of signals of potential non-compliance with laws and regulations in general and more specifically, the provisions of the Wet op het financieel toezicht (Wft, Act on Financial Supervision) and the Wet ter voorkoming van witwassen en financiering terrorisme (Wwft, Act on the prevention of money laundering and terrorist financing).</li> <li>▶ Evaluating the potential impact and the remediation by the board of directors of the non-compliance with Article 2:98 of the Dutch Civil Code per 31 December 2020.</li> <li>▶ Verifying the accuracy of the management fee charged by the management company and other costs by performing recalculations based on the provisions in the prospectus or in contracts and the daily NAV of the sub-funds, and determining that the transactions with related parties are adequately disclosed.</li> <li>▶ Performing substantive audit procedures, including sample testing and analytical review procedures on the outcome of relevant flows of financial information.</li> </ul>
Key observations	The execution of our audit procedures, did not yield significant findings relating to outsourced activities and the outcome of relevant flows of financial information with a direct impact on the financial statement of the fund.

## Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- ▶ Report from the board of directors
- ▶ Other information as required by Part 9 of Book 2 of the Dutch Civil Code
- ▶ General information and Profile

Based on the following procedures performed, we conclude that the other information:

- ▶ Is consistent with the financial statements and does not contain material misstatements
- ▶ Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the other information, including the Report from the board of directors in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

## Report on other legal and regulatory requirements

### Engagement

We were engaged by the board of directors as auditor of VanEck Vectors™ ETFs N.V. on 12 October 2020, as of the audit for the financial year ended 31 December 2020.

### No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

## Description of responsibilities for the financial statements

### Responsibilities of the board of directors for the financial statements

The board of directors of VanEck Asset Management B.V., the sole managing director and the management company of the fund, (hereafter: the board of directors), is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the board of directors is responsible for such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board of directors is responsible for assessing the fund's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the board of directors should prepare the financial statements using the going concern basis of accounting unless the board of directors either intends to liquidate the fund or to cease operations, or has no realistic alternative but to do so. The board of directors should disclose events and circumstances that may cast significant doubt on the fund's ability to continue as a going concern in the financial statements.

### Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- ▶ Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the fund's internal control.
- ▶ Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- ▶ Concluding on the appropriateness of the board of directors' use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a fund to cease to continue as a going concern.
- ▶ Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- ▶ Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the board of directors in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 26 April 2021

Ernst & Young Accountants LLP

signed by J.C.J. Preijde