

## **VanEck VIP Trust**

VanEck VIP Global Hard Assets Fund

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The information contained in this shareholder letter represents the personal opinions of the investment team members and may differ from those of other portfolio managers or of the firm as a whole. This information is not intended to be a forecast of future events, a guarantee of future results or investment advice. Also, unless otherwise specifically noted, any discussion of the Fund's holdings, the Fund's performance, and the views of the investment team members are as of December 31, 2017.

# PRIVACY NOTICE

(unaudited)

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

# PRIVACY NOTICE

(unaudited) (continued)

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

Dear Shareholder:

The Initial Class shares of the VanEck VIP Global Hard Assets Fund (the “Fund”) lost 1.66% for the 2017 calendar year, modestly underperforming the S&P® North American Natural Resources Sector Index (SPGINRTR)<sup>1</sup> which gained 1.23%.

The most significant impact on the natural resources market and the Fund came from the continued and unprecedented decoupling of the performance of higher-beta energy stocks (in particular unconventional oil and gas exploration and production (E&P) companies) from crude oil prices. On the positive side, however, metals and mining companies continued to benefit from consistently improving fundamentals, particularly copper and zinc prices, which climbed to four-year highs, and reaped the rewards from their successful multi-year restructurings.

## **Market Overview**

### *Energy*

Throughout the year, OPEC, Russia, and their partners not only remained in remarkable compliance with their self-imposed oil production quotas, but late in November, actually extended their commitments through 2018. Against a backdrop of better economic growth globally, demand remained robust and crude oil and product inventories continued to decline.

Despite both the improving operational and financial performance of the companies themselves, and firmer oil prices, the performance of energy stocks still failed to reflect fully not only top-line growth and improved financial results, but also a more stable longer-term outlook for growth and returns.

### *Metals and Mining*

Within diversified metals and mining, the combination of global demand support, Chinese capacity rationalization, and company financial discipline led to more balanced markets, better commodity prices, and stronger equity performance.

Gold mining companies performed well over the course of the year, both controlling costs and meeting guidance. Gold itself proved surprisingly resilient, having a positive year despite the U.S. stock market recording all-time highs.

## VANECK VIP GLOBAL HARD ASSETS FUND

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(unaudited) (continued)

### *Agriculture*

Within the agriculture sector, fertilizer demand was satisfactory with both potash and urea markets coming slowly back into balance. Following what appears to have been a bottom in the third quarter, fertilizer stocks started to reverse trend and eventually outperformed the underlying price of fertilizers. Protein markets also continued to fare well with better beef and chicken prices.

### **Fund Review**

The majority of the Fund's top five contributors were mining companies. Glencore Plc (4.7% of Fund net assets<sup>†</sup>), First Quantum Minerals Ltd. (4.9% of Fund net assets<sup>†</sup>), and Teck Resources Ltd. (4.5% of Fund net assets<sup>†</sup>) were all supported by strong copper and zinc prices which had, by year end, risen to their highest in four years. Both Glencore and Teck Resources also benefited from surprisingly strong coal prices. CF Industries Holdings, Inc. (2.7% of Fund net assets<sup>†</sup>), a fertilizer and agricultural chemicals company, benefited from the surprising strength in fertilizer prices and the overall market strength of fertilizers, together with good grain yields. Diamondback Energy, Inc. (4.4% of Fund net assets<sup>†</sup>), an E&P company, benefited from its early recognition that the market was demanding a balance between growth and returns.

The Fund's top five detractors were involved in energy. The performances of oil and gas drilling company Nabors Industries Ltd. (1.8% of Fund net assets<sup>†</sup>) and oil and gas equipment and services company Superior Energy Services, Inc. (1.1% of Fund net assets<sup>†</sup>) both suffered from the continuing concern over future oil prices and, consequently, a fear of lower drilling and oil field service activity. The remaining three of the five detractors were all E&P companies: PDC Energy, Inc. (2.1% of Fund net assets<sup>†</sup>), Newfield Exploration Co. (2.4% of Fund net assets<sup>†</sup>), and SM Energy (sold by the Fund during the period). All suffered from weaker relative performance combined with, by and large, a growing unrest among the investment community with E&P companies' limited shareholder returns.

### **Outlook**

We exit 2017 with the strongest global economic growth forecasts since the financial crisis. With an outlook for further synchronized growth in 2018, we see tighter supply and demand balances for a vast majority of the commodities that we follow closely.

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Within energy, we continue to monitor how the investment merits of the sector are being considered by investors. Energy companies, especially those in unconventional oil and gas exploration and production, are increasingly under the microscopes of investors after years of heavy investment in acreage acquisitions and infrastructure build out.

While we view much of this investment over the last decade as “sunk” capital necessary for future growth and profitable production extending into at least the early 2020s, we also believe that the focus of E&P companies should now be on moderate growth, cash flow generation, spending within cash flow, and delivering returns. E&P companies have listened and we have already started to see dividends and share repurchase programs from some.

It is important to remember that, on a technical basis, commodities and natural resource equities also exist in a quantitative/factor driven market, with momentum playing a significant role. The energy sector of today may well be compared to the metals and mining sector of three years ago when many of the major companies were considered all but bankrupt. Now these mining companies have significantly less debt, are generating cash, and delivering solid returns—aided by a rationalization process which eventually drove increased allocations to the metals and mining sector in 2016 and 2017. A market in which momentum factors drive fund flows is self-reinforcing and we would not be surprised if the metals and mining sector performs well once again in 2018 as a result.

One of the main pillars of our investment philosophy continues to be to look for long-term growth. Positioning our portfolio for the future and not just reacting to current circumstances is of paramount importance and our focus remains on companies that can navigate commodity price volatility and help grow sustainable net asset value.

Access investment and market insights from VanEck’s investment professionals by subscribing to our commentaries. To subscribe to the natural resources and commodities updates, please contact us at 800.826.2333 or visit [vaneck.com/subscription](http://vaneck.com/subscription) to register.

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

## VANECK VIP GLOBAL HARD ASSETS FUND

(unaudited) (continued)

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*as a result of these factors, and may move independently of the trends of industrialized companies.*

*The Fund's investments in foreign securities involve risks related to adverse political and economic developments unique to a country or a region, currency fluctuations or controls, and the possibility of arbitrary action by foreign governments, including the takeover of property without adequate compensation or imposition of prohibitive taxation. The Fund is subject to risks associated with investments in derivative, commodity-linked instruments, and illiquid securities. The Fund is also subject to inflation risk, market risk, non-diversification risk, and leverage risk. Please see the prospectus and summary prospectus for information on these and other risk considerations.*

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



Shawn Reynolds  
*Portfolio Manager*

*January 18, 2018*



Charles T. Cameron  
*Deputy Portfolio Manager*

*Represents the opinions of the investment adviser. Past performance is no guarantee of future results. Not intended to be a forecast of future events, a guarantee of future results or investment advice. Current market conditions may not continue.*

The Fund is only available to life insurance and annuity companies to fund their variable annuity and variable life insurance products. These contracts offer life insurance and tax benefits to the beneficial owners of the Fund. Your insurance or annuity company charges, fees and expenses for these benefits are not reflected in this report or in the Fund's performance, since they are not direct expenses of the Fund. Had these fees been included, returns would have been lower. For insurance products, performance figures do not reflect the cost for insurance and if they did, the performance shown would be significantly lower. A review of your particular life and/or annuity contract will provide you with much greater detail regarding these costs and benefits.

† All Fund assets referenced are Total Net Assets as of December 31, 2017.



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All indices are unmanaged and include the reinvestment of all dividends, but do not reflect the payment of transaction costs, advisory fees or expenses that are associated with an investment in the Fund. Certain indices may take into account withholding taxes. An index's performance is not illustrative of the Fund's performance. Indices are not securities in which investments can be made. Results reflect past performance and do not guarantee future results.

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

## VANECK VIP GLOBAL HARD ASSETS FUND

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### TOP TEN EQUITY HOLDINGS\*

December 31, 2017 (unaudited)

First Quantum Minerals Ltd.	4.9%
Glencore Plc	4.7%
Teck Resources Ltd.	4.5%
Diamondback Energy, Inc.	4.4%
Pioneer Natural Resources Co.	4.0%
Concho Resources, Inc.	3.9%
EOG Resources, Inc.	3.8%
Parsley Energy, Inc.	3.6%
Newmont Mining Corp.	3.5%
Patterson-UTI Energy, Inc.	3.4%

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

## PERFORMANCE COMPARISON

December 31, 2017 (unaudited)

### Average Annual Total Return 12/31/17

	Fund Initial Class	SPGINRTR	MSCI ACWI
One Year	(1.66)%	1.23%	24.62%
Five Year	(3.40)%	1.07%	11.40%
Ten Year	(2.24)%	(0.23)%	5.22%

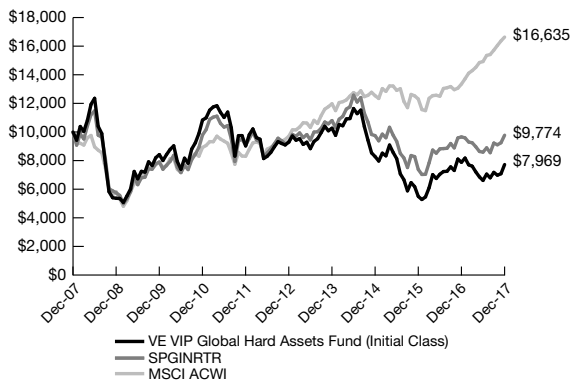
### Average Annual Total Return 12/31/17

	Fund Class S	SPGINRTR	MSCI ACWI
One Year	(1.89)%	1.23%	24.62%
Five Year	(3.64)%	1.07%	11.40%
Ten Year	(2.54)%	(0.23)%	5.22%

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

Performance of Class S shares will vary from that of the Initial Class shares due to differences in class specific fees and any applicable sales charges.

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



**The performance quoted represents past performance. Past performance is no guarantee of future results; current performance may be lower or higher than the performance data quoted.**

Performance information reflects temporary waivers of expenses and/or fees and does not include insurance/annuity fees and expenses. Investment returns would have been reduced had these fees/expenses been included. Investment return and the value of the shares of the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Fund returns assume that dividends and capital gains distributions have been reinvested in the Fund at NAV. Performance information current to the most recent month end is available by calling 800.826.2333 or by visiting [vaneck.com](http://vaneck.com).

The Fund is only available to life insurance and annuity companies to fund their variable annuity and variable life insurance products. These contracts offer life insurance and tax benefits to the beneficial owners of the Fund. Your insurance or annuity company charges fees and expenses for these benefits that are not reflected in this report or in the Fund's performance, since they are not direct expenses of the Fund. For insurance products, performance figures do not reflect the cost for insurance and if they did, the performance

# VANECK VIP GLOBAL HARD ASSETS FUND

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## PERFORMANCE COMPARISON

(unaudited) (continued)

shown would be significantly lower. A review of your particular life and/or annuity contract will provide you with much greater detail regarding these costs and benefits.

All indices are unmanaged and include the reinvestment of all dividends, but do not reflect the payment of transaction costs, advisory fees or expenses that are associated with an investment in the Fund. Certain indices may take into account withholding taxes. An index's performance is not illustrative of the Fund's performance. Indices are not securities in which investments can be made. Results reflect past performance and do not guarantee future results.

*On May 1, 2017, the MSCI All Country World Index (MSCI ACWI) replaced the Standard & Poor's 500 Index (S&P 500) as the Fund's broad-based benchmark index. The Fund changed indexes as it believes the MSCI ACWI is more representative to reflect the global nature of the Fund.*

The S&P® North American Natural Resources Sector (SPGINRTR) Index includes mining, energy, paper and forest products, and plantation-owning companies.

MSCI All Country World Index (MSCI ACWI) represents large- and mid-cap companies across 23 developed and 24 emerging market countries.

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## EXPLANATION OF EXPENSES

(unaudited)

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including program fees on purchase payments; and (2) ongoing costs, including management fees and other Fund expenses. This disclosure is intended to help you understand the ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The disclosure is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period, July 1, 2017 to December 31, 2017.

### **Actual Expenses**

The first line in the table below provides information about account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During the Period."

### **Hypothetical Example for Comparison Purposes**

The second line in the table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as fees on purchase payments. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

# VANECK VIP GLOBAL HARD ASSETS FUND

## EXPLANATION OF EXPENSES

(unaudited) (continued)

		Beginning Account Value July 1, 2017	Ending Account Value December 31, 2017	Expenses Paid During the Period* July 1, 2017 - December 31, 2017
<b>VanEck VIP Global Hard Assets Fund</b>				
Initial Class	Actual	\$1,000.00	\$1,170.00	\$6.02
	Hypothetical**	\$1,000.00	\$1,019.66	\$5.60
Class S	Actual	\$1,000.00	\$1,169.00	\$7.38
	Hypothetical**	\$1,000.00	\$1,018.40	\$6.87

\* Expenses are equal to the Fund's annualized expense ratio (for the six months ended December 31, 2017), of 1.10% on Initial Class Shares, And 1.35% on Class S Shares, multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year divided by the number of the days in the fiscal year (to reflect the one-half year period).

\*\* Assumes annual return of 5% before expenses

# VANECK VIP GLOBAL HARD ASSETS FUND

## SCHEDULE OF INVESTMENTS

December 31, 2017

Number of Shares	Value	Number of Shares	Value
<b>COMMON STOCKS: 98.2%</b>		<b>United Kingdom: 4.5%</b>	
<b>Bermuda: 1.9%</b>		287,800 KAZ Minerals Plc * #	\$ 3,459,633
219,500 Golar LNG Ltd. (USD)	\$ 6,543,295	52,900 Randgold Resources Ltd. (ADR)	5,231,281
<b>Canada: 19.1%</b>		133,900 Rio Tinto Plc (ADR)	7,087,327
215,622 Agnico-Eagle Mines Ltd. (USD)	9,957,424		<u>15,778,241</u>
85,500 Agrium, Inc. (USD)	9,832,500	<b>United States: 62.2%</b>	
330,300 Barrick Gold Corp. (USD)	4,779,441	45,600 Bunge Ltd.	3,058,848
1,211,700 First Quantum Minerals Ltd.	16,975,368	234,900 Callon Petroleum Co. *	2,854,035
142,300 Goldcorp, Inc. (USD)	1,817,171	219,100 CF Industries Holdings, Inc.	9,320,514
403,200 IAMGOLD Corp. (USD) *	2,350,656	90,800 Cimarex Energy Co.	11,078,508
856,500 Kinross Gold Corp. (USD) *	3,700,080	421,800 CNX Resources Corp. *	6,170,934
501,700 New Gold, Inc. (USD) *	1,650,593	90,850 Concho Resources, Inc. *	13,647,487
592,500 Teck Resources Ltd. (USD)	15,505,725	52,750 CONSOL Energy, Inc. *	2,084,153
	<u>66,568,958</u>	122,400 Diamondback Energy, Inc. *	15,453,000
<b>France: 1.0%</b>		122,400 EOG Resources, Inc.	13,208,184
571,800 Vallourec SA * #	3,446,139	259,400 Green Plains Renewable Energy, Inc.	4,370,890
<b>Kuwait: 1.2%</b>		197,700 Halliburton Co.	9,661,599
3,890,609 Kuwait Energy Plc (GBP) * # § ø ∞	4,295,461	277,000 Laredo Petroleum, Inc. *	2,938,970
<b>Luxembourg: 1.0%</b>		196,300 Louisiana-Pacific Corp. *	5,154,838
106,900 Tenaris SA (ADR)	3,405,834	923,100 Nabors Industries Ltd.	6,304,773
<b>Monaco: 0.5%</b>		266,850 Newfield Exploration Co. *	8,413,781
554,000 Scorpio Tankers, Inc. (USD)	1,689,700	327,800 Newmont Mining Corp.	12,299,056
<b>South Africa: 0.5%</b>		427,000 Parsley Energy, Inc. *	12,570,880
1,702,245 Petra Diamonds Ltd. (GBP) *	1,792,664	517,800 Patterson-UTI Energy, Inc.	11,914,578
<b>Switzerland: 6.3%</b>		144,400 PDC Energy, Inc. *	7,442,376
3,113,965 Glencore Plc (GBP) #	16,298,375		
1,318,300 Weatherford International Plc (USD) *	5,497,311		
	<u>21,795,686</u>		

See Notes to Financial Statements

# VANECK VIP GLOBAL HARD ASSETS FUND

## SCHEDULE OF INVESTMENTS

(continued)

Number of Shares	Value	Number of Shares	Value
<b>United States: (continued)</b>		<b>REAL ESTATE INVESTMENT TRUST: 0.5%</b>	
79,900	Pioneer Natural Resources Co. \$ 13,810,715	(Cost: \$1,436,947)	
290,600	ProPetro Holding Corp. * 5,858,496	<b>United States: 0.5%</b>	
116,400	RSP Permian, Inc. * 4,735,152	68,200	Hannon Armstrong Sustainable Infrastructure Capital, Inc. \$ 1,640,892
129,700	Schlumberger Ltd. 8,740,483	<b>MONEY MARKET FUND: 1.2%</b>	
197,400	Steel Dynamics, Inc. 8,513,862	(Cost: \$4,145,692)	
202,600	Sunrun, Inc. * 1,195,340	4,145,692	AIM Treasury Portfolio — Institutional Class 4,145,692
395,100	Superior Energy Services, Inc. * 3,804,813	<b>Total Investments: 99.9%</b>	
89,100	Tyson Foods, Inc. 7,223,337	(Cost: \$286,434,326) 347,867,044	
36,800	Union Pacific Corp. 4,934,880	<b>Other assets less</b>	
	216,764,482	<b>liabilities: 0.1%</b> 434,847	
<b>Total Common Stocks</b>		<b>NET ASSETS: 100.0%</b> <u>\$348,301,891</u>	
(Cost: \$280,851,687)	342,080,460		

### Definitions:

ADR American Depositary Receipt  
 GBP British Pound  
 USD United States Dollar

### Footnotes:

- \* Non-income producing
- # Indicates a fair valued security which has been valued in good faith pursuant to guidelines established by the Board of Trustees. The aggregate value of fair valued securities is \$27,499,608 which represents 7.9% of net assets.
- § Illiquid Security - the aggregate value of illiquid securities is \$4,295,461 which represents 1.2% of net assets.
- ∅ Restricted Security - the aggregate value of restricted securities is \$4,295,461, or 1.2% of net assets.
- ∞ Security is valued using significant unobservable inputs and is classified as Level 3 in the fair value hierarchy.

See Notes to Financial Statements



Restricted securities held by the Fund as of December 31, 2017 are as follows:

<b>Security</b>	<b>Acquisition Date</b>	<b>Number of Shares</b>	<b>Acquisition Cost</b>	<b>Value</b>	<b>% of Net Assets</b>
Kuwait Energy Plc	08/06/2008	3,890,609	<u>\$11,764,893</u>	<u>\$4,295,461</u>	<u>1.2%</u>

**Summary of Investments by Sector**

	<b>% of Investments</b>	<b>Value</b>
Consumer Staples	2.9%	\$ 10,282,185
Energy	54.6	189,941,547
Financials	0.5	1,640,892
Industrials	1.8	6,130,220
Materials	39.0	135,726,508
Money Market Fund	1.2	4,145,692
	<u>100.0%</u>	<u>\$347,867,044</u>

The summary of inputs used to value the Fund's investments as of December 31, 2017 is as follows:

	<b>Level 1 Quoted Prices</b>	<b>Level 2 Significant Observable Inputs</b>	<b>Level 3 Significant Unobservable Inputs</b>	<b>Value</b>
Common Stocks				
Bermuda	\$ 6,543,295	\$ —	\$ —	\$ 6,543,295
Canada	66,568,958	—	—	66,568,958
France	—	3,446,139	—	3,446,139
Kuwait	—	—	4,295,461	4,295,461
Luxembourg	3,405,834	—	—	3,405,834
Monaco	1,689,700	—	—	1,689,700
South Africa	1,792,664	—	—	1,792,664
Switzerland	5,497,311	16,298,375	—	21,795,686
United Kingdom	12,318,608	3,459,633	—	15,778,241
United States	216,764,482	—	—	216,764,482
Real Estate Investment Trust *	1,640,892	—	—	1,640,892
Money Market Fund	4,145,692	—	—	4,145,692
<b>Total</b>	<u>\$320,367,436</u>	<u>\$23,204,147</u>	<u>\$4,295,461</u>	<u>\$347,867,044</u>

\* See Schedule of Investments for geographic sector breakouts.

During the year ended December 31, 2017, transfers of securities from Level 2 to Level 1 were \$3,353,557. These transfers resulted primarily from changes in certain foreign securities valuation methodologies between the last close of the securities' primary market (Level 1) and valuation by the pricing service (Level 2), which takes into account market direction or events occurring before the Fund's pricing time but after the last local close, as described in the Notes to Financial Statements.

# VANECK VIP GLOBAL HARD ASSETS FUND

## SCHEDULE OF INVESTMENTS

(continued)

The following table reconciles the valuation of the Fund's Level 3 investment securities and related transactions during the year ended December 31, 2017:

	<b>Common Stocks</b>
	<b>Kuwait</b>
Balance as of December 31, 2016	\$ 6,069,240
Realized gain (loss)	—
Net change in unrealized appreciation (depreciation)	(1,773,779)
Purchases	—
Sales	—
Transfers in and/or out of level 3	—
Balance as of December 31, 2017	<u>\$ 4,295,461</u>

The following table presents additional information about valuation methodologies and inputs used for investments that are measured at fair value and categorized within Level 3 as of December 31, 2017:

	<b>Value as of December 31, 2017</b>	<b>Valuation Technique</b>	<b>Unobservable Input Description<sup>(1)</sup></b>	<b>Unobservable Input</b>	<b>Impact to Valuation from an Increase in Input<sup>(2)</sup></b>
Common Stocks					
Kuwait	\$4,295,461	Guideline Public Companies	Entitlement Multiple Working Interest Multiple Marketability Discount	5.00x-8.00x  0.35x-2.25x 15%	Increase  Increase Decrease

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

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

See Notes to Financial Statements

# STATEMENT OF ASSETS AND LIABILITIES

December 31, 2017

**Assets:**

Investments, at value (Cost: \$286,434,326) . . . . .	\$347,867,044
Cash . . . . .	180,536
Receivables:	
Shares of beneficial interest sold . . . . .	525,154
Dividends . . . . .	251,367
Prepaid expenses . . . . .	8,385
Other Assets . . . . .	219,152
<b>Total assets</b> . . . . .	<b>349,051,638</b>

**Liabilities:**

Payables:	
Shares of beneficial interest redeemed . . . . .	151,121
Due to Adviser . . . . .	279,442
Due to Distributor . . . . .	29,478
Deferred Trustee fees . . . . .	170,761
Accrued expenses . . . . .	118,945
<b>Total liabilities</b> . . . . .	<b>749,747</b>

<b>NET ASSETS</b> . . . . .	<b>\$348,301,891</b>
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**Initial Class Shares:**

Net Assets . . . . .	\$200,403,489
Shares of beneficial interest outstanding . . . . .	8,441,120
Net asset value, redemption and offering price per share . . . . .	\$ 23.74

**Class S Shares:**

Net Assets . . . . .	\$147,898,402
Shares of beneficial interest outstanding . . . . .	6,462,305
Net asset value, redemption and offering price per share . . . . .	\$ 22.89

**Net Assets consist of:**

Aggregate paid in capital . . . . .	\$406,344,856
Net unrealized appreciation . . . . .	61,432,718
Accumulated net investment loss . . . . .	(79,623)
Accumulated net realized loss . . . . .	(119,396,060)
	<b>\$348,301,891</b>

# VANECK VIP GLOBAL HARD ASSETS FUND

## STATEMENT OF OPERATIONS

For the Year Ended December 31, 2017

### Income:

Dividends (net of foreign taxes withheld of \$110,760) . . . \$ 2,991,019

### Expenses:

Management fees . . . . .	\$3,439,279	
Distribution fees — Class S Shares . . . . .	362,844	
Transfer agent fees — Initial Class Shares . . . . .	28,044	
Transfer agent fees — Class S Shares . . . . .	21,773	
Custodian fees . . . . .	5,727	
Professional fees . . . . .	103,670	
Reports to shareholders . . . . .	84,955	
Insurance . . . . .	19,712	
Trustees' fees and expenses . . . . .	13,923	
Other . . . . .	19,486	
Total expenses . . . . .		<u>4,099,413</u>
Net investment loss . . . . .		<u>(1,108,394)</u>

### Net realized loss on:

Investments . . . . .	(22,534,631)	
Foreign currency transactions and foreign denominated assets and liabilities . . . . .		(5,038)
Net realized loss . . . . .		<u>(22,539,669)</u>

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

Investments . . . . .	13,857,000	
Foreign currency transactions and foreign denominated assets and liabilities . . . . .		(30)
Net change in unrealized appreciation (depreciation) . . . . .		<u>13,856,970</u>

### Net Decrease in Net Assets Resulting

from Operations . . . . .		<u>\$ (9,791,093)</u>
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See Notes to Financial Statements

## STATEMENT OF CHANGES IN NET ASSETS

	<b>Year Ended December 31, 2017</b>	<b>Year Ended December 31, 2016</b>
<b>Operations:</b>		
Net investment loss	\$ (1,108,394)	\$ (1,168,182)
Net realized loss	(22,539,669)	(43,168,781)
Net change in unrealized appreciation (depreciation)	<u>13,856,970</u>	<u>164,245,332</u>
Net increase (decrease) in net assets resulting from operations	<u>(9,791,093)</u>	<u>119,908,369</u>
<b>Dividends to shareholders from:</b>		
Net investment income		
Initial Class Shares	—	(800,315)
Class S Shares	<u>—</u>	<u>(456,585)</u>
Total dividends	<u>—</u>	<u>(1,256,900)</u>
<b>Share transactions*:</b>		
Proceeds from sale of shares		
Initial Class Shares	43,574,952	53,363,374
Class S Shares	<u>34,097,115</u>	<u>90,975,754</u>
	<u>77,672,067</u>	<u>144,339,128</u>
Reinvestment of dividends		
Initial Class Shares	—	800,315
Class S Shares	<u>—</u>	<u>456,585</u>
		<u>1,256,900</u>
Cost of shares redeemed		
Initial Class Shares	(62,510,160)	(77,331,352)
Class S Shares	<u>(53,865,685)</u>	<u>(57,842,110)</u>
	<u>(116,375,845)</u>	<u>(135,173,462)</u>
Net increase (decrease) in net assets resulting from share transactions	<u>(38,703,778)</u>	<u>10,422,566</u>
Total increase (decrease) in net assets	<u>(48,494,871)</u>	<u>129,074,035</u>
<b>Net Assets:</b>		
Beginning of year	<u>396,796,762</u>	<u>267,722,727</u>
End of year (including accumulated net investment loss of \$(79,623) and \$(127,727), respectively)	<u>\$348,301,891</u>	<u>\$396,796,762</u>
<b>* Shares of beneficial interest issued, reinvested and redeemed (unlimited number of \$.001 par value shares authorized):</b>		
<b>Initial Class Shares:</b>		
Shares sold	1,946,391	2,574,457
Shares reinvested	—	49,586
Shares redeemed	<u>(2,808,726)</u>	<u>(3,754,331)</u>
Net decrease	<u>(862,335)</u>	<u>(1,130,288)</u>
<b>Class S Shares:</b>		
Shares sold	1,567,492	4,535,734
Shares reinvested	—	29,212
Shares redeemed	<u>(2,485,128)</u>	<u>(2,788,791)</u>
Net increase (decrease)	<u>(917,636)</u>	<u>1,776,155</u>

See Notes to Financial Statements

# VANECK VIP GLOBAL HARD ASSETS FUND

## FINANCIAL HIGHLIGHTS

For a share outstanding throughout each year:

	<b>Initial Class Shares</b>				
	<b>Year Ended December 31,</b>				
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Net asset value, beginning of year . . . . .	<u>\$24.14</u>	<u>\$16.88</u>	<u>\$25.37</u>	<u>\$31.39</u>	<u>\$29.13</u>
Income from investment operations:					
Net investment income (loss) . . . . .	(0.05)(b)	(0.05)	0.10	0.06	0.08(b)
Net realized and unrealized gain (loss) on investments . . . . .	<u>(0.35)</u>	<u>7.39</u>	<u>(8.58)</u>	<u>(6.05)</u>	<u>2.95</u>
Total from investment operations . . . . .	<u>(0.40)</u>	<u>7.34</u>	<u>(8.48)</u>	<u>(5.99)</u>	<u>3.03</u>
Less dividends and distributions from:					
Net investment income . . .	—	(0.08)	(0.01)	(0.03)	(0.20)
Net realized capital gains . .	—	—	—	—	(0.57)
Total dividends and distributions . . . . .	<u>—</u>	<u>(0.08)</u>	<u>(0.01)</u>	<u>(0.03)</u>	<u>(0.77)</u>
Net asset value, end of year . .	<u>\$23.74</u>	<u>\$24.14</u>	<u>\$16.88</u>	<u>\$25.37</u>	<u>\$31.39</u>
Total return (a) . . . . .	(1.66)%	43.71%	(33.45)%	(19.10)%	10.53%

### Ratios/Supplemental Data

Net assets, end of year (000's) . . . . .	\$200,403	\$224,612	\$176,087	\$275,099	\$336,763
Ratio of gross expenses to average net assets . . . . .	1.09%	1.06%	1.05%	1.06%	1.09%
Ratio of net expenses to average net assets . . . . .	1.09%	1.06%	1.05%	1.06%	1.09%
Ratio of net expenses to average net assets excluding interest expense . . . . .	1.09%	1.06%	1.05%	1.06%	1.09%
Ratio of net investment income (loss) to average net assets . .	(0.21)%	(0.24)%	0.43%	0.19%	0.27%
Portfolio turnover rate . . . . .	15%	45%	21%	31%	31%

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of year, reinvestment of any dividends and distributions at net asset value on the dividend/distribution payment date and a redemption at the net asset value on the last day of the year. The return does not reflect the deduction of taxes that a shareholder would pay on Fund dividends/distributions or the redemption of Fund shares. Total returns do not include fees and expenses imposed under your variable annuity contract and/or life insurance policy. If these amounts were reflected, the return would be lower than that shown.

(b) Calculated based upon average shares outstanding

See Notes to Financial Statements

## FINANCIAL HIGHLIGHTS

For a share outstanding throughout each year:

	<b>Class S Shares</b>				
	<b>Year Ended December 31,</b>				
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Net asset value, beginning of year . . . . .	<u>\$23.33</u>	<u>\$16.35</u>	<u>\$24.64</u>	<u>\$30.55</u>	<u>\$28.38</u>
Income from investment operations:					
Net investment income (loss) . . . . .	(0.10)(b)	(0.09)	0.04	(0.02)	0.01(b)
Net realized and unrealized gain (loss) on investments . . . . .	<u>(0.34)</u>	<u>7.15</u>	<u>(8.32)</u>	<u>(5.89)</u>	<u>2.88</u>
Total from investment operations . . . . .	<u>(0.44)</u>	<u>7.06</u>	<u>(8.28)</u>	<u>(5.91)</u>	<u>2.89</u>
Less dividends and distributions from:					
Net investment income . . .	—	(0.08)	(0.01)	—	(0.15)
Net realized capital gains . .	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(0.57)</u>
Total dividends and distributions . . . . .	<u>—</u>	<u>(0.08)</u>	<u>(0.01)</u>	<u>—</u>	<u>(0.72)</u>
Net asset value, end of year . .	<u>\$22.89</u>	<u>\$23.33</u>	<u>\$16.35</u>	<u>\$24.64</u>	<u>\$30.55</u>
Total return (a) . . . . .	(1.89)%	43.41%	(33.62)%	(19.35)%	10.30%

### Ratios/Supplemental Data

Net assets, end of year (000's) . . . . .	\$147,898	\$172,185	\$91,635	\$118,163	\$122,407
Ratio of gross expenses to average net assets . . . . .	1.34%	1.30%	1.31%	1.32%	1.34%
Ratio of net expenses to average net assets . . . . .	1.34%	1.30%	1.31%	1.32%	1.34%
Ratio of net expenses to average net assets excluding interest expense . . . . .	1.34%	1.30%	1.31%	1.32%	1.34%
Ratio of net investment income (loss) to average net assets . .	(0.47)%	(0.50)%	0.17%	(0.06)%	0.03%
Portfolio turnover rate . . . . .	15%	45%	21%	31%	31%

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of year, reinvestment of any dividends and distributions at net asset value on the dividend/distribution payment date and a redemption at the net asset value on the last day of the year. The return does not reflect the deduction of taxes that a shareholder would pay on Fund dividends/distributions or the redemption of Fund shares. Total returns do not include fees and expenses imposed under your variable annuity contract and/or life insurance policy. If these amounts were reflected, the return would be lower than that shown.

(b) Calculated based upon average shares outstanding

See Notes to Financial Statements

# VANECK VIP GLOBAL HARD ASSETS FUND

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## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

**Note 1—Fund Organization**—VanEck VIP Trust (the “Trust”) is registered under the Investment Company Act of 1940, as amended, as an open-end management investment company. The Trust was organized as a Massachusetts business trust on January 7, 1987. The VanEck VIP Global Hard Assets Fund (the “Fund”) is a diversified series of the Trust and seeks long-term capital appreciation by investing primarily in hard asset securities. The Fund offers two classes of shares: Initial Class Shares and Class S Shares. The two classes are identical except Class S Shares are subject to a distribution fee.

**Note 2—Significant Accounting Policies**—The preparation of financial statements in conformity with U.S. generally accepted accounting principles (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

The Fund is an investment company and is following accounting and reporting requirements of Accounting Standards Codification (“ASC”) 946 Financial Services-Investment Companies.

The following is a summary of significant accounting policies followed by the Fund.

**A. Security Valuation**—The Fund values its investments in securities and other assets and liabilities at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. Securities traded on national exchanges or traded on the NASDAQ National Market System are valued at the last sales price reported at the close of each business day. Securities traded on the NASDAQ Stock Market are valued at the NASDAQ official closing price. Over-the-counter securities not included in the NASDAQ National Market System and listed securities for which no sale was reported are valued at the mean of the bid and ask prices. To the extent these securities are actively traded they are categorized as Level 1 in the fair value hierarchy (as described below). Certain foreign securities, whose values may be affected by market direction or events occurring before the Fund’s pricing time (4:00 p.m. Eastern Time) but after the last close of the securities’ primary market, are fair valued using a pricing service and are categorized as Level 2 in the fair value hierarchy. The pricing service, using methods approved by the Board of Trustees, considers the correlation of the trading patterns of the foreign security to intraday trading in the U.S. market, based on indices of domestic securities and other appropriate indicators such as prices of relevant ADR’s and futures



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contracts. The Fund may also fair value securities in other situations, such as when a particular foreign market is closed but the Fund is open. Short-term debt securities with sixty days or less to maturity are valued at amortized cost, which with accrued interest approximates fair value. Money market fund investments are valued at net asset value and are classified as Level 1 in the fair value hierarchy. The Pricing Committee of Van Eck Associates Corporation (the “Adviser”) provides oversight of the Fund’s valuation policies and procedures, which are approved by the Fund’s Board of Trustees. Among other things, these procedures allow the Fund to utilize independent pricing services, quotations from securities dealers, and other market sources to determine fair value. The Pricing Committee convenes regularly to review the fair value of financial instruments or other assets. If market quotations for a security or other asset are not readily available, or if the Adviser believes it does not otherwise reflect the fair value of a security or asset, the security or asset will be fair valued by the Pricing Committee in accordance with the Fund’s valuation policies and procedures. The Pricing Committee employs various methods for calibrating the valuation approaches utilized to determine fair value, including a regular review of key inputs and assumptions, periodic comparisons to valuations provided by other independent pricing services, transactional back-testing and disposition analysis.

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

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

# VANECK VIP GLOBAL HARD ASSETS FUND

## NOTES TO FINANCIAL STATEMENTS

(continued)

Level 1 – Quoted prices in active markets for identical securities.

Level 2 – Significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 – Significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments).

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

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

**C. Currency Translation**—Assets and liabilities denominated in foreign currencies and commitments under foreign currency contracts are translated into U.S. dollars at the closing prices of such currencies each business day. Purchases and sales of investments are translated at the exchange rates prevailing when such investments are acquired or sold. Income and expenses are translated at the exchange rates prevailing when accrued. The portion of realized and unrealized gains and losses on investments that result from fluctuations in foreign currency exchange rates is not separately disclosed. Recognized gains or losses attributable to foreign currency fluctuations on foreign currency denominated assets, other than investments, and liabilities are recorded as net realized gain (loss) on foreign currency transactions and foreign denominated assets and liabilities in the Statement of Operations.

**D. Dividends and Distributions to Shareholders**—Dividends to shareholders from net investment income and distributions from net realized capital gains, if any, are declared and paid annually. Income dividends and capital gain distributions are determined in accordance with U.S. income tax regulations, which may differ from such amounts determined in accordance with GAAP.

**E. Restricted Securities**—The Fund may invest in securities that are subject to legal or contractual restrictions on resale. These securities generally may be resold in transactions exempt from registration or to the public if the securities are registered. Disposal of these securities may involve time-

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consuming negotiations and expense, and prompt sale at an acceptable price may be difficult. Information regarding restricted securities, if any, is included at the end of the Fund's Schedule of Investments.

**F. Use of Derivative Instruments**—The Fund may make investments in derivative instruments, including, but not limited to, options, futures, swaps and other derivatives relating to foreign currency transactions. A derivative is an instrument whose value is derived from underlying assets, indices, reference rates or a combination of these factors. Derivative instruments may be privately negotiated contracts (often referred to as over-the-counter (“OTC”) derivatives) or they may be listed and traded on an exchange. Derivative contracts may involve future commitments to purchase or sell financial instruments or commodities at specified terms on a specified date, or to exchange interest payment streams or currencies based on a notional or contractual amount. Derivative instruments may involve a high degree of financial risk. The use of derivative instruments also involves the risk of loss if the investment adviser is incorrect in its expectation of the timing or level of fluctuations in securities prices, interest rates or currency prices. Investments in derivative instruments also include the risk of default by the counterparty, the risk that the investment may not be liquid and the risk that a small movement in the price of the underlying security or benchmark may result in a disproportionately large movement, unfavorable or favorable, in the price of the derivative instrument. The Fund held no derivative instruments during the year ended December 31, 2017.

**G. Other**—Security transactions are accounted for on trade date. Dividend income is recorded on the ex-dividend date except that certain dividends from foreign securities are recognized upon notification of the ex-dividend date. Interest income, including amortization of premiums and discounts, is accrued as earned. Realized gains and losses are calculated on the specific identified cost basis.

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

In the normal course of business, the Fund enters into contracts that contain a variety of general indemnifications. The Fund's maximum exposure under these agreements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. However, the Adviser believes the risk of loss under these arrangements to be remote.

## VANECK VIP GLOBAL HARD ASSETS FUND

### NOTES TO FINANCIAL STATEMENTS

(continued)

**Note 3—Investment Management and Other Agreements**—The Adviser is the investment adviser to the Fund. The Adviser receives a management fee, calculated daily and payable monthly based on an annual rate of 1.00% of the first \$500 million of average daily net assets, 0.90% of the next \$250 million of average daily net assets and 0.70% of the average daily net assets in excess of \$750 million. The Adviser has agreed, until at least May 1, 2018, to waive management fees and assume expenses to prevent the Fund's total annual operating expenses (excluding acquired fund fees and expenses, interest expense, trading expenses, dividend and interest payments on securities sold short, taxes, and extraordinary expenses) from exceeding 1.20% for Initial Class Shares and 1.45% for Class S Shares.

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

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

**Note 5—Investments**—For the year ended December 31, 2017, the cost of purchases and proceeds from sales of investments, excluding U.S. government securities and short-term obligations, aggregated to \$51,134,396 and \$83,076,715, respectively.

**Note 6—Income Taxes**—As of December 31, 2017, for Federal income tax purposes, the identified cost of investments owned, net unrealized appreciation (depreciation), gross unrealized appreciation, and gross unrealized depreciation of investments were as follows:

<u>Cost of Investments</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation (Depreciation)</u>
\$298,521,742	\$102,297,214	\$(52,951,912)	49,345,302

At December 31, 2017, the components of accumulated earnings (deficit) on a tax basis were as follows:

<u>Undistributed Ordinary Income</u>	<u>Accumulated Capital Losses</u>	<u>Other Temporary Differences</u>	<u>Unrealized Appreciation (Depreciation)</u>	<u>Total</u>
\$—	\$(107,217,507)	\$(170,760)	\$49,345,302	\$(58,042,965)

The tax character of dividends paid to shareholders during the years ended December 31, 2017 and December 31, 2016, was as follows:

	<u>Year Ended December 31, 2017</u>	<u>Year Ended December 31, 2016</u>
Ordinary income . . . . .	\$ <u>—</u>	\$ <u>1,256,900</u>

At December 31, 2017, the Fund had capital loss carryforwards available to offset future capital gains, as follows:

<u>Short-Term Capital Losses with No Expiration</u>	<u>Long-Term Capital Losses with No Expiration</u>	<u>Total</u>
\$(9,245,625)	\$(97,971,882)	(107,217,507)

During the year ended December 31, 2017, as a result of permanent book to tax differences due to a net operating loss, foreign currency gains and losses and return of capital distributions on underlying investments, the Fund incurred differences that affected undistributed net investment income (loss), accumulated net realized gain (loss) on investments and aggregate paid in capital by the amounts in the table below. Net assets were not affected by these reclassifications.

<u>Increase (Decrease) in Accumulated Net Investment Income</u>	<u>Increase (Decrease) in Accumulated Net Realized Gain (Loss)</u>	<u>Increase (Decrease) in Aggregate Paid in Capital</u>
\$1,156,498	\$(214,116)	\$(942,382)

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

## VANECK VIP GLOBAL HARD ASSETS FUND

### NOTES TO FINANCIAL STATEMENTS

(continued)

The Fund recognizes interest and penalties, if any, related to uncertain tax positions as income tax expense in the Statement of Operations. During the year ended December 31, 2017, the Fund did not incur any interest or penalties.

**Note 7—Concentration of Risk**—The Fund may purchase securities on foreign exchanges. Securities of foreign issuers involve special risks and considerations not typically associated with investing in U.S. issuers. These risks include devaluation of currencies, less reliable information about issuers, different securities transaction clearance and settlement practices, and future adverse political and economic developments. These risks are heightened for investments in emerging market countries. Moreover, securities of many foreign issuers and their markets may be less liquid and their prices more volatile than those of comparable U.S. issuers.

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

In March 2017, the United Kingdom triggered Article 50, and is now scheduled to leave the European Union (“EU”) by the end of March 2019. Significant uncertainty exists on how the withdrawal will take place, the terms of the withdrawal and the effects such withdrawal will have on the EU and the United Kingdom. This may further impact the value of the Euro and the British pound sterling, and has caused volatility and uncertainty in European and global markets.

At December 31, 2017, the aggregate shareholder accounts of three insurance companies owned approximately 51%, 22%, and 6% of the Initial Class Shares, and four insurance companies owned approximately 43%, 29%, 12%, and 5% of the Class S Shares.

A more complete description of risks is included in the Fund’s Prospectus and Statement of Additional Information.

**Note 8—Trustee Deferred Compensation Plan**—The Trust has a Deferred Compensation Plan (the “Deferred Plan”) for Trustees under which the Trustees can elect to defer receipt of their trustee fees until retirement, disability or termination from the Board of Trustees. The fees otherwise payable to the

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participating Trustees are deemed invested in shares of eligible Funds of the Trust and the VanEck Funds (another registered investment company managed by the Adviser) as directed by the Trustees.

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

**Note 9—Bank Line of Credit**—The Trust participates with VanEck Funds (collectively the “VE/VIP Funds”) in a \$30 million committed credit facility (the “Facility”) to be utilized for temporary financing until the settlement of sales or purchases of portfolio securities, the repurchase or redemption of shares of the Fund and other temporary or emergency purposes. The participating VE/VIP Funds have agreed to pay commitment fees, pro rata, based on the unused but available balance. Interest is charged to the VE/VIP Funds at rates based on prevailing market rates in effect at the time of borrowings. During the year ended December 31, 2017, the Fund had no outstanding borrowings under the Facility.

**Note 10—Subsequent Event Review**—The Fund has evaluated subsequent events and transactions for potential recognition or disclosure through the date the financial statements were issued.

# VANECK VIP GLOBAL HARD ASSETS FUND

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

### **To the Shareholders and the Board of Trustees of VanEck VIP Global Hard Assets Fund**

#### **Opinion on the Financial Statements**

We have audited the accompanying statement of assets and liabilities of VanEck VIP Global Hard Assets Fund (the “Fund”) (one of the Funds constituting the VanEck VIP Trust (the “Trust”)), including the schedule of investments, as of December 31, 2017, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of VanEck VIP Global Hard Assets Fund (one of the Funds constituting the VanEck VIP Trust) at December 31, 2017, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

#### **Basis for Opinion**

These financial statements are the responsibility of the Trust’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Trust is not required to have, nor were we engaged to perform, an audit of the Trust’s internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Trust’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures



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in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2017, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

*Ernst + Young LLP*

We have served as the Trust's auditor since 1999.

New York, NY

February 14, 2018

## VANECK VIP TRUST

### BOARD OF TRUSTEES AND OFFICERS

December 31, 2017 (unaudited) (continued)

Trustee's Name, Address <sup>(1)</sup> and Year of Birth	Position(s) Held With Trust, Term of Office <sup>(2)</sup> and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Portfolios In Fund Complex <sup>(3)</sup> Overseen By Trustee	Other Directorships Held Outside The Fund Complex <sup>(3)</sup> During The Past Five Years
<b>Independent Trustees:</b>				
Jon Lukomnik 1956 (A)(G)	Trustee since March 2006	Managing Partner, Sinclair Capital LLC (consulting firm), 2000 to present; Executive Director, Investor Responsibility Research Center Institute, 2008 to present.	11	Member of the Deloitte Audit Quality Advisory Committee; Chairman of the Advisory Committee of Legion Partners; Member of the Standing Advisory Group to the Public Company Accounting Oversight Board; formerly Chairman of the Board of the New York Classical Theatre.
Jane DiRenzo Piggott 1957 (A)(G)	Trustee since July 2007	Managing Director, R3 Group LLC (consulting firm), 2002 to present.	11	Formerly, Director and Chair of Audit Committee of 3E Company (environmental services); formerly Director of MetLife Investment Funds, Inc.
Wayne H. Shaner 1947 (A)(G)	Trustee since March 2006	Managing Partner, Rockledge Partners LLC, 2003 to present (investment adviser); Public Member of the Investment Committee, Maryland State Retirement System, 1991 to 2014.	11	Director, The Torrey Funds (1 portfolio), since 1993 (Chairman of the Board since December 2005).

Trustee's Name, )Address <sup>(1)</sup> and Year of Birth	Position(s) Held With Trust, Term of Office <sup>(2)</sup> and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Portfolios In Fund Complex <sup>(3)</sup> Overseen By Trustee	Other Directorships Held Outside The Fund Complex <sup>(3)</sup> During The Past Five Years
R. Alastair Short 1953 (A)(G)	Trustee since June 2004; Currently, Vice Chairperson of the Board and Chairperson of the Audit Committee	President, Apex Capital Corporation (personal investment vehicle), January 1988 to present.	67	Chairman and Independent Director, EUJAV Asset Management; Independent Director, Tremont offshore funds; Director, Kenyon Review.
Richard D. Stamberger 1959 (A)(G)	Trustee since 1995; Currently, Chairperson of the Board	Director, President and CEO, SmartBrief, Inc. (business media company), 1999 to present.	67	Director, SmartBrief, Inc.; Director, Food and Friends, Inc.
Robert L. Stelzl 1945 (A)(G)	Trustee since July 2007; Currently, Chairperson of the Governance Committee	Co-Trustee, the estate of Donald Koll, 2012 to present; Trustee, Robert D. MacDonald Trust, 2015 to present; Trustee, GH Insurance Trusts, 2012 to present; Trustee, Joslyn Family Trusts, 2003 to 2014; President, Rivas Capital, Inc. (real estate property management services company), 2004 to December 2014.	11	Director and Chairman, Brookfield Properties, Inc. and Brookfield Residential Properties, Inc.

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

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

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

(A) Member of the Audit Committee.

(G) Member of the Governance Committee.

## VANECK VIP TRUST

### BOARD OF TRUSTEES AND OFFICERS

December 31, 2017 (unaudited) (continued)

<b>Officer's Name, Address<sup>(1)</sup> And Year of Birth</b>	<b>Position(s) Held With Trust</b>	<b>Term of Office And Length of Time Served<sup>(2)</sup></b>	<b>Principal Occupations During The Past Five Years</b>
Matthew A. Babinsky, 1983	Assistant Vice President and Assistant Secretary	Since 2016	Assistant Vice President, Assistant General Counsel, and Assistant Secretary of the Adviser, Van Eck Securities Corporation (VESC) and Van Eck Absolute Return Advisers Corporation (VEARA) (since 2016); Associate, Clifford Chance US LLP (October 2011 to April 2016); Officer of other investment companies advised by the Adviser.
Russell G. Brennan, 1964	Assistant Vice President and Assistant Treasurer	Since 2008	Assistant Vice President of the Adviser (since 2008); Officer of other investment companies advised by the Adviser.
Charles T. Cameron, 1960	Vice President	Since 1996	Director of Trading (since 1995) and Portfolio Manager (since 1997) for the Adviser; Officer of other investment companies advised by the Adviser.
John J. Crimmins, 1957	Vice President, Treasurer, Chief Financial Officer and Principal Accounting Officer	Since 2009 (Treasurer); since 2012 (Vice President, Chief Financial Officer and Principal Accounting Officer)	Vice President of Portfolio Administration of the Adviser (since 2009); Vice President of VESC and VEARA (since 2009); Officer of other investment companies advised by the Adviser.
F. Michael Gozzillo, 1965	Chief Compliance Officer	Since January 2018	Vice President and Chief Compliance Officer of the Adviser and VEARA (since January 2018); Chief Compliance Officer, City National Rochdale, LLC and City National Rochdale Funds (December 2012 to January 2018); Officer of other investment companies advised by the Adviser.
Susan C. Lashley, 1955	Vice President	Since 1998	Vice President of the Adviser and VESC; Officer of other investment companies advised by the Adviser.
Laura I. Martinez, 1980	Vice President (since 2016) and Assistant Secretary	Since 2008	Vice President (since 2016), Associate General Counsel and Assistant Secretary of the Adviser, VESC and VEARA (since 2008); Officer of other investment companies advised by the Adviser.

<b>Officer's Name, Address<sup>(1)</sup> And Year of Birth</b>	<b>Position(s) Held With Trust</b>	<b>Term of Office And Length of Time Served<sup>(2)</sup></b>	<b>Principal Occupations During The Past Five Years</b>
James Parker, 1969	Assistant Treasurer	Since 2014	Manager, Portfolio Administration of the Adviser, VESC and VEARA (since 2010).
Jonathan R. Simon, 1974	Senior Vice President (since 2016), Secretary and Chief Legal Officer	Since 2006 (Vice President and until 2014, also Assistant Secretary); since 2014 (Secretary and Chief Legal Officer)	Senior Vice President (since 2016), General Counsel and Secretary (since 2014) of the Adviser, VESC and VEARA; Associate General Counsel and Assistant Secretary of the Adviser, VESC and VEARA (2006-2014); Officer of other investment companies advised by the Adviser.
Bruce J. Smith, 1955	Senior Vice President	Since 1985	Senior Vice President, Chief Financial Officer, Treasurer and Controller of the Adviser, VESC and VEARA (since 1997); Director of the Adviser, VESC and VEARA (since October 2010); Officer of other investment companies advised by the Adviser.
Jan F. van Eck, 1963	Chief Executive Officer and President	Since 2005 (serves as Chief Executive Officer and President since 2010, prior thereto, served as Executive Vice President)	President, Director and Owner of the Adviser (since July 1993); Executive Vice President of the Adviser (January 1985–October 2010); Director (since November 1985), President (since October 2010) and Executive Vice President (June 1991–October 2010) of VESC; Director and President of VEARA (since May 1997); Trustee (since 2006), President and Chief Executive Officer of Market Vectors ETF Trust (since 2009); Officer of other investment companies advised by the Adviser.

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

(2) Officers are elected yearly by the Board.

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This report is intended for the Fund's shareholders. It may not be distributed to prospective investors unless it is preceded or accompanied by the Fund's prospectus, which includes more complete information. An investor should consider the investment objective, risks, and charges and expenses of the Fund carefully before investing. The prospectus contains this and other information about the investment company. Please read the prospectus carefully before investing.

Additional information about the VanEck VIP (the "Trust") Board of Trustees/Officers and a description of the policies and procedures the Trust uses to determine how to vote proxies relating to portfolio securities are provided in the Statement of Additional Information. The Statement of Additional Information and information regarding how the Trust voted proxies relating to portfolio securities during the most recent twelve month period ending June 30 is available, without charge, by calling 800.826.2333, or by visiting [vaneck.com](http://vaneck.com), or on the Securities and Exchange Commission's website at <https://www.sec.gov>.

The Trust files its complete schedule of portfolio holdings with the Securities and Exchange Commission for the first and third quarters of each fiscal year on Form N-Q. The Trust's Form N-Qs are available on the Commission's website at <https://www.sec.gov> and may be reviewed and copied at the Commission's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 202.942.8090. The Fund's complete schedule of portfolio holdings is also available by calling 800.826.2333 or by visiting [vaneck.com](http://vaneck.com).

# VanEck®

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