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1 December 2016

ASX Limited
Market Announcements Office

ASX CODE: MOAT
VANECK VECTORS MORNINGSTAR WIDE MOAT ETF
US ANNUAL REPORT

VanEck Investments Limited makes this announcement on behalf of VanEck Vectors ETF Trust. Attached is the annual report for certain US exchange traded funds including MOAT which has been issued by VanEck Vectors ETF Trust and lodged with the US Securities Exchange Commission.

Information in the annual report not relating to MOAT has been redacted or deleted. Financial information in the annual report is in US dollars, unless otherwise stated.

For more information:

- Call 1300 68 38 37
- Go to vaneck.com.au

IMPORTANT NOTICE: Issued by VanEck Investments Limited ABN 22 146 596 116 AFSL 416755 ('VanEck'). VanEck is a wholly owned subsidiary of Van Eck Associates Corporation based in New York, United States. VanEck Vectors ETF Trust ARBN 604 339 808 ('the Trust') is the issuer of shares in the US domiciled VanEck Vectors ETFs ('US Funds'). The Trust and the US Funds are regulated by US laws which differ from Australian laws. Trading in the US Funds' shares on ASX will be settled by CHESS Depositary Interests ('CDIs') which are also issued by the Trust. The Trust is organised in the State of Delaware, US. Liability of investors is limited. Van Eck Associates serves as the investment advisor to the US Funds. VanEck, on behalf of the Trust, is the authorised intermediary for the offering of CDIs over the US Funds' shares and issuer in respect of the CDIs and corresponding Fund Shares traded on ASX.

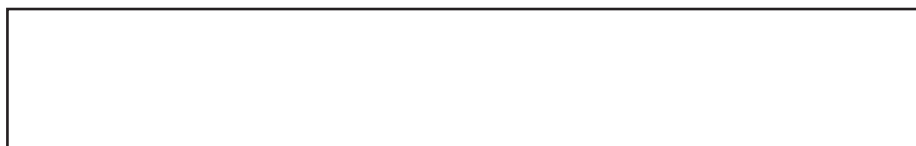
This is general information only and not financial advice. It does not take into account any person's individual objectives, financial situation or needs. Investing in international markets has specific risks that are in addition to the typical risks associated with investing in the Australian market. These include currency/foreign exchange fluctuations, ASX trading time differences and changes in foreign laws and tax regulations. Before making an investment decision in relation to a US Fund you should read the PDS and with the assistance of a financial adviser consider if it is appropriate for your circumstances. The PDS is available at www.vaneck.com.au or by calling 1300 68 38 37.

Past performance is not a reliable indicator of current or future performance. No member of the VanEck group of companies or the Trust gives any guarantee or assurance as to the repayment of capital, the performance, or any particular rate of return from the US Funds. Tax consequences of dividend distributions may vary based on individual circumstances. Investors should seek their own independent tax advice based on their individual circumstances.



ANNUAL REPORT
September 30, 2016

**VANECK VECTORS™
STRATEGIC EQUITY ETFs**



Morningstar Wide Moat ETF

MOAT®

VANECK VECTORS STRATEGIC EQUITY ETFs

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The information contained in the management discussion represents the opinions of VanEck Vectors ETF Trust and may differ from other persons. This information is not intended to be a forecast of future events, a guarantee of future results or investment advice. The information contained herein regarding each index has been provided by the relevant index provider. Also, unless otherwise specifically noted, any discussion of the Funds' holdings and the Funds' performance, and the views of VanEck Vectors ETF Trust are as of September 30, 2016, and are subject to change.

Dear Shareholder:

We are pleased to present this annual report for the three strategic equity exchange-traded funds (ETFs) of the VanEck Vectors ETF Trust for the 12-month period ended September 30, 2016.

Moat Motivated Investing

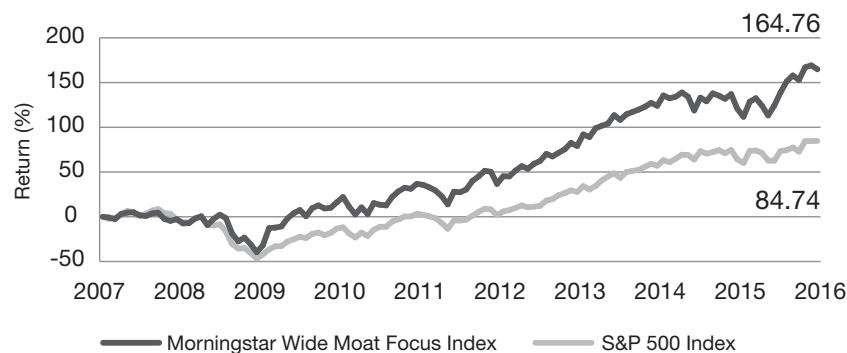
We continue to believe that investors looking to make long-term allocations to broad asset classes, such as U.S. equity markets, may find that our strategic equity exchange-traded ETFs offer attractive ways to enhance exposure to core asset classes.

In the case of the VanEck Vectors Morningstar Wide Moat ETF (NYSE Arca: MOAT), Morningstar's focus on companies with sustainable competitive advantages trading at attractive valuations has produced strong results over this past 12-month period, outperforming the S&P 500® Index¹ by 8.8%.

In the context of a long-term allocation to the U.S. equity market, the Morningstar® Wide Moat Focus Index^{SM2} — the index MOAT seeks to replicate — continues to feature an impressive track record against the S&P 500 Index. Its performance over the past 12 months only strengthens the index's trend of long-term outperformance.

Cumulative Index Return

2/14/07 – 9/30/16



Source: Morningstar, FactSet. Not intended to be a forecast of future events, a guarantee of future results or investment advice. Current market conditions may not continue. Past performance is no guarantee of future results; current performance may be lower or higher than the performance data quoted. Index performance is not illustrative of fund performance. Investors cannot invest directly in an Index.

In addition to this impressive continuing long-term performance, and further illustrating the success of Morningstar's process of identifying attractively priced companies with sustainable competitive advantages, the Wide Moat Focus Index had outperformed the S&P 500 Index 63% of the time as measured over one-year periods and 91% of the time as measured over five-year periods.

Please stay in touch with us through our website (vaneck.com) on which we offer videos, email subscriptions, blogs, and educational literature. Our Moat Investing blog and email subscription may be of particular interest to you. Should you have any questions, please contact us at 800.826.2333 or visit vaneck.com.

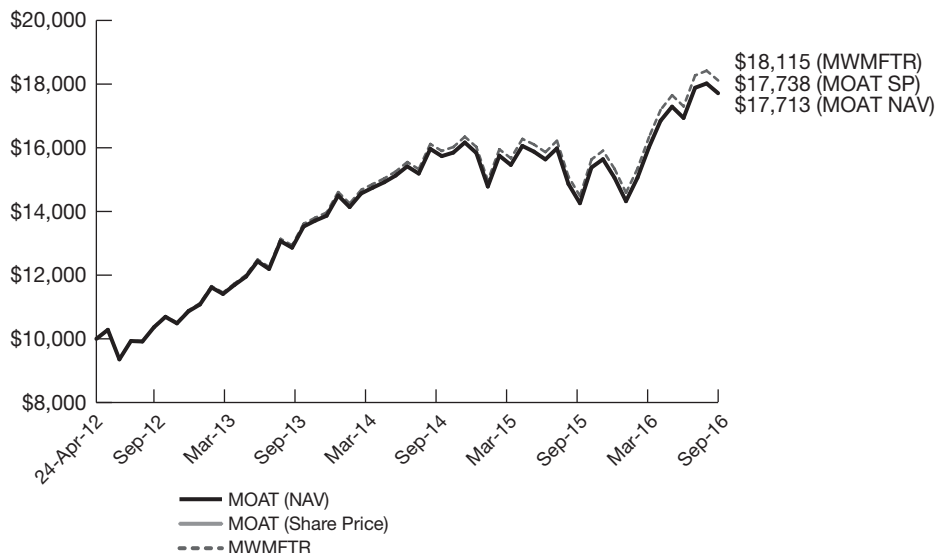
VANECK VECTORS MORNINGSTAR WIDE MOAT ETF

PERFORMANCE COMPARISON

September 30, 2016 (unaudited)

Hypothetical Growth of \$10,000 (Since Inception)

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



Total Return	Share Price ¹	NAV	MWMFTR ²
One Year	24.55%	24.23%	25.05%
Life* (annualized)	13.79%	13.76%	14.33%
Life* (cumulative)	77.38%	77.13%	81.15%

* since 4/24/12

Commencement date for the VanEck Vectors Morningstar Wide Moat ETF was 4/24/12.

¹ The price used to calculate market return (Share Price) is determined by using the closing price listed on NYSE Arca. Since the shares of the Fund did not trade in the secondary market until several days after the Fund's commencement, for the period from commencement (4/24/12) to the first day of secondary market trading in shares of the Fund (4/25/12), the NAV of the Fund is used as a proxy for the secondary market trading price to calculate market returns.

The performance data quoted represents past performance. Past performance is not a guarantee of future results. Performance information for the Fund reflects temporary waivers of expenses and/or fees. Had the Fund incurred all expenses, investment returns would have been reduced. These returns do not reflect the deduction of taxes that a shareholder would pay on Fund dividends and distributions or the sale of Fund shares.

Investment return and value of the shares of the Fund will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. Performance may be lower or higher than performance data quoted. Performance current to the most recent month-end is available by calling 800.826.2333 or by visiting vaneck.com.

Gross Expense Ratio 0.50% / Net Expense Ratio 0.49%

Van Eck Associates Corporation (the "Adviser") has agreed to waive fees and/or pay Fund expenses to the extent necessary to prevent the operating expenses of the Fund (excluding acquired fund fees and expenses, interest expense, offering costs, trading expenses, taxes and extraordinary expenses) from exceeding 0.49% of the Fund's average daily net assets per year until at least February 1, 2017. During such time, the expense limitation is expected to continue until the Fund's Board of Trustees acts to discontinue all or a portion of such expense limitation.

Fund shares are not individually redeemable and will be issued and redeemed at their NAV only through certain authorized broker-dealers in large, specified blocks of shares called "creation units" and otherwise can be bought and sold only through exchange trading. Creation units are issued and redeemed principally in kind. Shares may trade at a premium or discount to their NAV in the secondary market.

The "Net Asset Value" (NAV) of a VanEck Vectors exchange-traded fund (ETF) is determined at the close of each business day, and represents the dollar value of one share of the fund; it is calculated by taking the total assets of the fund, subtracting total liabilities, and dividing by the total number of shares outstanding. The NAV is not necessarily the same as the ETF's intraday trading value. VanEck Vectors ETF investors should not expect to buy or sell shares at NAV.

Index returns assume the reinvestment of all income and do not reflect any management fees or brokerage expenses associated with Fund returns. Investors cannot invest directly in the Index. Returns for actual Fund investors may differ from what is shown because of differences in timing, the amount invested and fees and expenses.

² Morningstar® Wide Moat Focus IndexSM (MWMFTR) is a rules-based, equal-weighted index intended to offer exposure to companies that Morningstar, Inc. determines have sustainable competitive advantages based on a proprietary methodology that considers quantitative and qualitative factors (“wide moat companies”).

MWMFTR was created and is maintained by Morningstar, Inc. Morningstar, Inc. does not sponsor, endorse, issue, sell, or promote the VanEck Vectors Morningstar Wide Moat ETF and bears no liability with respect to that ETF or any security. Morningstar® is a registered trademark of Morningstar, Inc. Morningstar® Wide Moat Focus IndexSM is a service mark of Morningstar, Inc.

PREMIUM/DISCOUNT INFORMATION

(unaudited)

Information regarding how often the Shares of each Fund traded on NYSE Arca, Inc. or The NASDAQ Stock Market LLC as applicable, at a price above (*i.e.*, at a premium) or below (*i.e.*, at a discount) the NAV of the Fund during the past four calendar quarters, as applicable, can be found at vaneck.com.

VANECK VECTORS ETF TRUST

EXPLANATION OF EXPENSES

(unaudited)

Hypothetical \$1,000 investment at beginning of period

As a shareholder of a Fund, you incur operating expenses, including management fees and other Fund expenses. This disclosure is intended to help you understand the ongoing costs (in dollars) of investing in your 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, April 1, 2016 to September 30, 2016.

Actual Expenses

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

Hypothetical Example for Comparison Purposes

The second line in the table below provides information about hypothetical account values and hypothetical expenses based on your 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 your 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 program fees. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Beginning Account Value April 1, 2016	Ending Account Value September 30, 2016	Annualized Expense Ratio During Period	Expenses Paid During the Period* April 1, 2016- September 30, 2016
Morningstar Wide Moat ETF				
Actual	\$1,000.00	\$1,105.70	0.49%	\$2.58
Hypothetical**	\$1,000.00	\$1,022.55	0.49%	\$2.48

* Expenses are equal to the Fund's annualized expense ratio (for the six months ended September 30, 2016) 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 days in the fiscal year (to reflect the one-half year period).

** Assumes annual return of 5% before expenses

VANECK VECTORS MORNINGSTAR WIDE MOAT ETF

SCHEDULE OF INVESTMENTS

September 30, 2016

Number of Shares		Value	Number of Shares		Value
COMMON STOCKS: 100.0%			Media: 7.3%		
Automobiles & Components: 2.7%			247,092	Time Warner, Inc.	\$ 19,670,994
390,778	Harley-Davidson, Inc. †	\$ 20,551,015	710,347	Twenty-First Century Fox, Inc.	17,204,604
Banks: 4.8%			196,243	Walt Disney Co.	18,223,125
439,450	U.S. Bancorp	18,848,011			55,098,723
383,668	Wells Fargo & Co.	16,988,819	Pharmaceuticals, Biotechnology: 14.1%		
		35,836,830	77,843	Allergan Plc *	17,928,021
Capital Goods: 6.3%			116,045	Amgen, Inc.	19,357,466
114,294	Deere & Co.	9,754,993	68,191	Biogen Idec, Inc. *	21,345,829
359,107	Emerson Electric Co.	19,574,923	169,753	Bristol-Myers Squibb Co.	9,153,082
181,118	United Technologies Corp.	18,401,589	246,057	Eli Lilly & Co.	19,748,535
		47,731,505	231,710	Gilead Sciences, Inc.	18,332,895
Commercial & Professional Services: 2.2%					105,865,828
207,141	Stericycle, Inc. *	16,600,280	Real Estate: 4.7%		
Consumer Durables & Apparel: 4.6%			632,461	CBRE Group, Inc. *	17,696,259
229,014	Polaris Industries, Inc. †	17,734,844	156,186	Jones Lang LaSalle, Inc.	17,772,405
304,677	VF Corp.	17,077,146			35,468,664
		34,811,990	Retailing: 6.8%		
Consumer Services: 2.4%			25,031	Amazon.com, Inc. *	20,958,707
336,729	Starbucks Corp.	18,230,508	127,292	Lowe's Cos, Inc.	9,191,755
Diversified Financials: 10.0%			287,550	Tiffany & Co. †	20,884,756
288,775	American Express Co.	18,493,151			51,035,218
455,935	Bank of New York Mellon Corp.	18,182,688	Software & Services: 12.6%		
129,111	Berkshire Hathaway, Inc. *	18,652,666	47,597	LinkedIn Corp. *	9,096,739
290,852	State Street Corp.	20,252,025	193,577	MasterCard, Inc.	19,700,331
		75,580,530	349,010	Microsoft Corp.	20,102,976
Health Care Equipment & Services: 11.2%			240,291	Salesforce.com, Inc. *	17,139,957
229,169	AmerisourceBergen Corp.	18,512,272	480,001	The Western Union Co. †	9,993,621
164,193	Cerner Corp. *	10,138,918	232,061	Visa, Inc.	19,191,445
253,257	Express Scripts Holding Co. *	17,862,216			95,225,069
101,740	McKesson Corp.	16,965,145	Transportation: 5.5%		
207,912	Varian Medical Systems, Inc. *	20,693,481	677,391	CSX Corp.	20,660,425
		84,172,032	212,148	Norfolk Southern Corp.	20,591,085
Materials: 4.8%					41,251,510
244,976	Compass Minerals International, Inc. †	18,054,731	Total Common Stocks		
175,572	Monsanto Co.	17,943,458	(Cost: \$726,360,469)		
		35,998,189			753,457,891

See Notes to Financial Statements

VANECK VECTORS MORNINGSTAR WIDE MOAT ETF

SCHEDULE OF INVESTMENTS

(continued)

Principal Amount	Value	Principal Amount	Value
SHORT-TERM INVESTMENTS HELD AS COLLATERAL FOR SECURITIES LOANED: 9.2%		Repurchase Agreements: (continued)	
\$18,044,939	Repurchase agreement dated 9/30/16 with BNP Paribas Securities Corp., 0.48%, due 10/3/16, proceeds \$18,045,661; (collateralized by various U.S. government and agency obligations, 0.00% to 6.25%, due 10/14/16 to 9/9/49, valued at \$18,405,838 including accrued interest)	\$1,945,685	Repurchase agreement dated 9/30/16 with Merrill Lynch, Pierce, Fenner & Smith, Inc., 0.50%, due 10/3/16, proceeds \$1,945,766; (collateralized by various U.S. government and agency obligations, 2.14% to 6.00%, due 3/1/26 to 9/1/46, valued at \$1,984,599 including accrued interest)
	\$ 18,044,939		\$ 1,945,685
16,514,808	Repurchase agreement dated 9/30/16 with Citigroup Global Markets, Inc., 0.52%, due 10/3/16, proceeds \$16,515,524; (collateralized by various U.S. government and agency obligations, 0.00% to 7.00%, due 2/15/20 to 9/9/49, valued at \$16,845,104 including accrued interest)	16,514,808	Repurchase agreement dated 9/30/16 with Nomura Securities International, Inc., 0.52%, due 10/3/16, proceeds \$16,515,524; (collateralized by various U.S. government and agency obligations, 0.00% to 8.00%, due 4/15/17 to 2/20/63, valued at \$16,845,104 including accrued interest)
	16,514,808		16,514,808
16,514,808	Repurchase agreement dated 9/30/16 with Daiwa Capital Markets America, Inc., 0.52%, due 10/3/16, proceeds \$16,515,524; (collateralized by various U.S. government and agency obligations, 0.00% to 9.00%, due 10/13/16 to 9/9/49, valued at \$16,845,104 including accrued interest)		
	16,514,808		
		Total Short-Term Investments Held as Collateral for Securities Loaned (Cost: \$69,535,048)	
		Total Investments: 109.2% (Cost: \$795,895,517)	
		Liabilities in excess of other assets: (9.2)%	
		NET ASSETS: 100.0%	

* Non-income producing

† Security fully or partially on loan. Total market value of securities on loan is \$68,925,645.

Summary of Investments by Sector Excluding Collateral for Securities Loaned (unaudited)

	% of Investments	Value
Consumer Discretionary	23.9%	\$179,727,454
Financials	14.8	111,417,360
Health Care	25.2	190,037,860
Industrials	14.0	105,583,295
Information Technology	12.6	95,225,069
Materials	4.8	35,998,189
Real Estate	4.7	35,468,664
	100.0%	\$753,457,891

The summary of inputs used to value the Fund's investments as of September 30, 2016 is as follows:

	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Value
Common Stocks*	\$753,457,891	\$ —	\$ —	\$753,457,891
Repurchase Agreements	—	69,535,048	—	69,535,048
Total	\$753,457,891	\$69,535,048	\$ —	\$822,992,939

* See Schedule of Investments for security type and industry sector breakdowns.

There were no transfers between levels during the year ended September 30, 2016.

See Notes to Financial Statements

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VANECK VECTORS ETF TRUST

STATEMENTS OF ASSETS AND LIABILITIES

September 30, 2016

	Morningstar Wide Moat ETF
Assets:	
Investments, at value (1) (2)	\$ 753,457,891
Short-term investments held as collateral for securities loaned (3)	69,535,048
Cash	530
Cash denominated in foreign currency, at value (4)	—
Receivables:	
Investment securities sold	—
Due from Adviser	—
Dividends and interest	603,942
Prepaid expenses	6,118
Total assets	823,603,529
Liabilities:	
Payables:	
Investment securities purchased	—
Collateral for securities loaned	69,535,048
Line of credit	316,495
Due to Adviser	282,786
Due to custodian	—
Deferred Trustee fees	26,570
Accrued expenses	84,817
Total liabilities	70,245,716
NET ASSETS	\$ 753,357,813
Shares outstanding	22,150,000
Net asset value, redemption and offering price per share	\$ 34.01
Net assets consist of:	
Aggregate paid in capital	\$ 894,729,142
Net unrealized appreciation	27,097,422
Undistributed net investment income	7,325,620
Accumulated net realized loss	(175,794,371)
	\$ 753,357,813
(1) Value of securities on loan	\$ 68,925,645
(2) Cost of investments	\$ 726,360,469
(3) Cost of short-term investments held as collateral for securities loaned	\$ 69,535,048
(4) Cost of cash denominated in foreign currency	\$ —

See Notes to Financial Statements

VANECK VECTORS ETF TRUST

STATEMENTS OF OPERATIONS

For the Year Ended September 30, 2016

Income:

Dividends	
Securities lending income	
Foreign taxes withheld	
Total income	

Morningstar Wide Moat ETF

\$ 13,693,317
80,764
—
<u>13,774,081</u>

Expenses:

Management fees	
Professional fees	
Insurance	
Trustees' fees and expenses	
Reports to shareholders	
Indicative optimized portfolio value fee.	
Custodian fees	
Registration fees	
Transfer agent fees	
Fund accounting fees	
Interest	
Other	
Total expenses	
Waiver of management fees	
Expenses assumed by the Adviser	
Net expenses	
Net investment income	

3,210,711
146,950
13,398
29,593
74,049
481
19,910
4,191
2,415
29,209
14,215
<u>20,854</u>
3,565,976
(55,653)
—
<u>3,510,323</u>
<u>10,263,758</u>

Net realized gain (loss) on:

Investments	
In-kind redemptions	
Foreign currency transactions and foreign denominated assets and liabilities	
Net realized gain (loss)	

(30,962,242)
73,487,632
—
<u>42,525,390</u>

Net change in unrealized appreciation (depreciation) on:

Investments	
Foreign currency transactions and foreign denominated assets and liabilities	
Net change in unrealized appreciation (depreciation)	
Net Increase in Net Assets Resulting from Operations	

87,339,736
—
<u>87,339,736</u>
<u>\$140,128,884</u>

See Notes to Financial Statements

STATEMENTS OF CHANGES IN NET ASSETS

Morningstar Wide Moat ETF

For the Year Ended September 30, 2016	For the Year Ended September 30, 2015
\$ 10,263,758	\$ 16,873,747
42,525,390	(38,373,256)
87,339,736	(58,131,508)
<u>140,128,884</u>	<u>(79,631,017)</u>
 (15,301,600)	 (13,000,000)
 518,341,447	 159,367,725
<u>(632,174,449)</u>	<u>(177,988,761)</u>
 (113,833,002)	 (18,621,036)
10,994,282	(111,252,053)
742,363,531	853,615,584
<u>\$ 753,357,813</u>	<u>\$ 742,363,531</u>
<u>\$ 7,325,620</u>	<u>\$ 12,363,462</u>
 16,550,000	 5,100,000
<u>(20,950,000)</u>	<u>(5,850,000)</u>
<u>(4,400,000)</u>	<u>(750,000)</u>

See Notes to Financial Statements

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period:

Patient Information	
Full Name	
Date of Birth	
Gender	
Address	
City	
State	
Zip	
Phone	
Medical History	
Allergies	
Current Medications	
Past Medical History	
Family History	
Social History	
Physical Examination	
Vital Signs	
Laboratory Tests	
Imaging Studies	
Diagnosis	
Treatment Plan	
Follow-up	

VANECK VECTORS ETF TRUST

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each period:

Morningstar Wide Moat ETF

	For the Year Ended September 30,				For the Period April 24, 2012(a) through September 30, 2012
	2016	2015	2014	2013	
Net asset value, beginning of period	\$27.96	\$31.27	\$27.09	\$21.54	\$20.15
Income from investment operations:					
Net investment income	0.48	0.57	0.37	0.23	0.08
Net realized and unrealized gain (loss) on investments	6.19	(3.46)	4.04	5.46	1.31
Total from investment operations	6.67	(2.89)	4.41	5.69	1.39
Less:					
Dividends from net investment income	(0.62)	(0.42)	(0.23)	(0.14)	—
Net asset value, end of period	\$34.01	\$27.96	\$31.27	\$27.09	\$21.54
Total return (b)	24.23%	(9.41)%	16.35%	26.54%	6.90%(c)
Ratios/Supplemental Data					
Net assets, end of period (000's)	\$753,358	\$742,364	\$853,616	\$364,395	\$66,782
Ratio of gross expenses to average net assets	0.50%	0.50%	0.50%	0.51%	1.04%(d)
Ratio of net expenses to average net assets	0.49%	0.49%	0.49%	0.49%	0.49%(d)
Ratio of net expenses, excluding interest expense, to average net assets	0.49%	0.49%	0.49%	0.49%	0.49%(d)
Ratio of net investment income to average net assets . . .	1.44%	1.88%	1.63%	1.48%	1.62%(d)
Portfolio turnover rate (e)	178%	14%	15%	1%	0%(c)

(a) Commencement of operations

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

(c) Not Annualized

(d) Annualized

(e) Portfolio turnover rates exclude securities received or delivered as a result of processing in-kind capital share transactions.

See Notes to Financial Statements

VANECK VECTORS ETF TRUST

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

Note 1—Fund Organization—VanEck Vectors ETF Trust (the “Trust”) (formerly known as Market Vectors ETF Trust) is registered under the Investment Company Act of 1940, as amended, as an open-end management investment company. The Trust was incorporated in Delaware as a statutory trust on March 15, 2001. The Trust operates as a series fund, and as of September 30, 2016, offers sixty investment portfolios, each of which represents a separate series of the Trust.

These financial statements relate only to the following investment portfolios: [REDACTED] and Morningstar Wide Moat ETF (each a “Fund” and, together, the “Funds”). Each Fund was created to provide investors with the opportunity to purchase a security representing a proportionate undivided interest in a portfolio of securities consisting of substantially all of the common stocks in substantially the same weighting, in an index published by Horizon Kinetics, LLC or Morningstar, Inc.

The Funds’ commencement of operations dates and their respective indices are presented below:

<u>Fund</u>	<u>Commencement of Operations</u>	<u>Index</u>
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
Morningstar Wide Moat ETF	April 24, 2012	Morningstar® Wide Moat Focus Index SM

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 Funds are investment companies and are 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 Funds.

A. Security Valuation—The Funds value their 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 as reported at the close of each business day. Securities traded on the NASDAQ Stock Market are valued at the NASDAQ official closing price. Over-the-counter securities not included in the NASDAQ National Market System and listed securities for which no sale was reported are valued at the mean of the bid and ask prices. To the extent these securities are actively traded they are categorized as Level 1 in the fair value hierarchy (described below). Certain foreign securities, whose values may be affected by market direction or events occurring before the Funds’ pricing time (4:00 p.m. Eastern Standard Time) but after the last close of the securities’ primary market, are fair valued using a pricing service and are categorized as Level 2 in the fair value hierarchy. The pricing service, using methods approved by the Board of Trustees, considers the correlation of the trading patterns of the foreign security to intraday trading in the U.S. markets, based on indices of domestic securities and other appropriate indicators such as prices of relevant ADR’s and futures contracts. The Funds may also fair value securities in other situations, such as, when a particular foreign market is closed but the Fund is open. Short-term obligations with sixty days or less to maturity are valued at amortized cost, which with accrued interest approximates fair value. Money market fund investments are valued at net asset value and are considered to be Level 1 in the fair value hierarchy. Securities for which quotations are not available are stated at fair value as determined by the Pricing Committee of Van Eck Associates Corporation (the “Adviser”). The Pricing Committee provides oversight of the Funds’ valuation policies and procedures, which are approved by the Funds’ Board of Trustees. Among other things, these procedures allow the Funds to utilize independent pricing services, quotations from securities dealers, and other market sources to determine fair value. The Pricing Committee convenes regularly to review the fair value of financial instruments for which market prices are not readily available. The Pricing Committee employs various methods for calibrating the valuation approaches utilized to determine fair value, including a regular review of key inputs and assumptions, transactional back-testing and disposition analysis.

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

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

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

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

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

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

- B. Federal Income Taxes**—It is each Fund's policy to comply with the provisions of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its taxable income to its shareholders. Therefore, no federal income tax provision is required.
- C. Dividends and Distributions to Shareholders**—Dividends to shareholders from net investment income and distributions from net realized capital gains, if any, are declared and paid annually by each Fund. Income dividends and capital gain distributions are determined in accordance with U.S. income tax regulations, which may differ from such amounts determined in accordance with GAAP.
- D. Currency Translation**—Assets and liabilities denominated in foreign currencies and commitments under foreign currency contracts are translated into U.S. dollars at the closing prices of such currencies each business day. Purchases and sales of investments are translated at the exchange rates prevailing when such investments are acquired or sold. Foreign denominated income and expenses are translated at the exchange rates prevailing when accrued. The portion of realized and unrealized gains and losses on investments that result from fluctuations in foreign currency exchange rates is not separately disclosed in the financial statements. Recognized gains or losses attributable to foreign currency fluctuations on foreign currency denominated assets, other than investments, and liabilities are recorded as net realized gain (loss) on foreign currency transactions and foreign denominated assets and liabilities in the Statements of Operations.
- E. Restricted Securities**—The Funds may invest in securities that are subject to legal or contractual restrictions on resale. These securities generally may be resold in transactions exempt from registration or to the public if the securities are registered. Disposal of these securities may involve time-consuming negotiations and expense, and prompt sale at an acceptable price may be difficult. Information regarding restricted securities, if any, is included at the end of each Fund's Schedule of Investments.
- F. Use of Derivative Instruments**—The Funds may invest 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

VANECK VECTORS ETF TRUST

NOTES TO FINANCIAL STATEMENTS

(continued)

may be listed and traded on an exchange. Derivative contracts may involve future commitments to purchase or sell financial instruments at specified terms on a specified date, or to exchange interest payment streams or currencies based on a notional or contractual amount. Derivative instruments may involve a high degree of financial risk. The use of derivative instruments also involves the risk of loss if the 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 instruments. The Funds held no derivative instruments during the period ended September 30, 2016.

G. Repurchase Agreements—The Funds may enter into repurchase agreements with financial institutions, deemed to be creditworthy by the Adviser, to generate income from their excess cash balances and to invest securities lending cash collateral. A repurchase agreement is an agreement under which a Fund acquires securities from a seller, subject to resale to the seller at an agreed upon price and date. A Fund, through its custodian/securities lending agent, takes possession of securities collateralizing the repurchase agreement. Pursuant to the terms of the repurchase agreement, such securities must have an aggregate market value greater than or equal to the terms of the repurchase price plus accrued interest at all times. If the value of the underlying securities falls below the value of the repurchase price plus accrued interest, the Funds will require the seller to deposit additional collateral by the next business day. If the request for additional collateral is not met, or the seller defaults on its repurchase obligation, the Funds maintain their right to sell the underlying securities at market value and may claim any resulting loss against the seller. Repurchase agreements held as of September 30, 2016 are reflected in the Schedules of Investments.

H. Offsetting Assets and Liabilities—In the ordinary course of business, the Funds enter into transactions subject to enforceable master netting agreements or other similar agreements. Generally, the right of setoff in those agreements allows the Funds to set off any exposure to a specific counterparty with any collateral received or delivered to that counterparty based on the terms of the agreements. The Funds may pledge or receive cash and/or securities as collateral for derivative instruments, securities lending and repurchase agreements. For financial reporting purposes, the Funds present securities lending and repurchase agreement assets and liabilities on a gross basis in the Statements of Assets and Liabilities. Collateral held at September 30, 2016 is presented in the Schedules of Investments. Also, refer to related disclosures in Note 2G (Repurchase Agreements) and Note 9 (Securities Lending).

I. Other—Security transactions are accounted for on trade date. Transactions in certain securities may take longer than the customary settlement cycle to be completed. The counterparty is required to collateralize such trades with cash in excess of the market value of the transaction, which is held at the custodian and marked to market daily. Realized gains and losses are calculated on the identified cost basis. 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/rate. Interest income, including amortization of premiums and discounts, is accrued as earned.

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

Note 3—Investment Management and Other Agreements—The Adviser is the investment adviser to the Funds. The Adviser receives a management fee, calculated daily and payable monthly based on an annual rate of each Fund's average daily net assets. The Adviser has agreed, at least until February 1, 2017, to voluntarily waive or limit its fees and to assume as its own expense certain expenses otherwise payable by the Funds so that each Fund's total annual operating expenses does not exceed the expense limitations (excluding acquired fund fees and expenses, interest expense, offering costs, trading expenses, taxes and extraordinary expenses) listed in the table below.

The current management fee rate, expense limitations and the amounts waived/assumed by the Adviser for the year ended September 30, 2016, are as follows:

Fund	Management Fee Rates	Expense Limitations	Waiver of Management Fees	Expenses Assumed by the Adviser
██████████	██████████	██████████	██████████	██████████
██	██████████	██████████	██████████	██████████
Morningstar Wide Moat ETF	0.45	0.49	55,653	—

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

Note 4—Investments—For the year ended September 30, 2016, the cost of purchases and proceeds from sales of investments other than U.S. government obligations and short-term obligations (excluding in-kind transactions described in Note 6) were as follows:

Fund	Cost of Investments Purchased	Proceeds from Investments Sold
██████████	██████████	██████████
██	██████████	██████████
Morningstar Wide Moat ETF	1,275,754,805	1,282,678,640

Note 5—Income Taxes—As of September 30, 2016, 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:

Fund	Cost of Investments	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation (Depreciation)
██████████	██████████	██████████	██████████	██████████
██	██████████	██████████	██████████	██████████
Morningstar Wide Moat ETF	795,914,506	47,670,402	(20,591,969)	27,078,433

At September 30, 2016, the components of accumulated earnings (deficit) on a tax basis, for each Fund, were as follows:

Fund	Undistributed Ordinary Income	Undistributed Long-Term Capital Gains	Accumulated Capital Losses	Qualified Late-Year Losses	Other Temporary Difference	Unrealized Appreciation (Depreciation)	Total
██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████
██	██████████	██████████	██████████	██████████	██████████	██████████	██████████
Morningstar Wide Moat ETF	7,352,190	—	(175,775,382)	—	(26,570)	27,078,433	(141,371,329)

The tax character of dividends paid to shareholders during the years ended September 30, 2016 and September 30, 2015 was as follows:

Fund	2016 Dividends Ordinary Income	2015 Dividends Ordinary Income
██████████	██████████	██████████
██	██████████	██████████
Morningstar Wide Moat ETF	15,301,600	13,000,000

At September 30, 2016, the Funds had capital loss carryforwards available to offset future capital gains, as follow:

Fund	Post-Effective-No Expiration Short-Term Capital Losses	Post-Effective-No Expiration Long-Term Capital Losses
██████████	██████████	██████████
██	██████████	██████████
Morningstar Wide Moat ETF	(139,290,799)	(36,484,583)

VANECK VECTORS ETF TRUST

NOTES TO FINANCIAL STATEMENTS

(continued)

During the period ended September 30, 2016, as a result of permanent book to tax differences, primarily due to investments in Passive Foreign Investment Companies, foreign currency gains and losses, and tax treatment of in-kind redemptions, the Funds 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>Fund</u>	<u>Increase (Decrease) in Accumulated Net Investment Income (Loss)</u>	<u>Increase (Decrease) in Accumulated Net Realized Gain (Loss)</u>	<u>Increase (Decrease) in Aggregate Paid in Capital</u>
████████████████████	████████	● ██████	● ██████
████████████████████	████████	████████	████████
Morningstar Wide Moat ETF	—	(73,410,389)	73,410,389

The Funds recognize 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 Funds’ 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 Funds do 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 Funds’ financial statements. However, the Funds are subject to foreign taxes on the appreciation in value of certain investments. The Funds provide for such taxes on both realized and unrealized appreciation.

The Funds recognize interest and penalties, if any, related to uncertain tax positions as income tax expense in the Statements of Operations. During the year ended September 30, 2016, the Funds did not incur any interest or penalties.

Note 6—Capital Share Transactions—As of September 30, 2016, there were an unlimited number of capital shares of beneficial interest authorized by the Trust with no par value. Shares are issued and redeemed by the Funds only in Creation Units, consisting of 50,000 shares, or multiples thereof. The consideration for the purchase or redemption of Creation Units of the Funds generally consists of the in-kind contribution or distribution of securities constituting the Funds’ underlying index plus a small amount of cash. For the year ended September 30, 2016, the Funds had in-kind contributions and redemptions as follows:

<u>Fund</u>	<u>In-Kind Contributions</u>	<u>In-Kind Redemptions</u>
████████████████████	● ██████	● ██████
████████████████████	████████	████████
Morningstar Wide Moat ETF	516,424,820	625,838,810

The in-kind contributions and in-kind redemptions in this table represent the accumulation of each Fund’s daily net shareholder transactions including rebalancing activity, while the Statements of Changes in Net Assets reflect shareholder transactions including any cash component of the transactions.

Note 7—Concentration of Risk—The investment objective of each Fund is to seek investment results that correspond generally to the price and yield performance, before fees and expenses, of its underlying index, as indicated in the name of each Fund. The Adviser uses a “passive” or index approach to achieve each Fund’s investment objective by investing in a portfolio of securities that generally replicates the Funds’ index. Each of the Funds is classified as a non-diversified fund under the 1940 Act. Non-diversified funds generally hold securities of fewer issuers than diversified funds and may be more susceptible to the risks associated with these particular issuers, or to a single economic, political or regulatory occurrence affecting these issuers. The Funds 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, currency controls, less reliable information about issuers, different securities transaction clearance and settlement practices, future adverse political and economic developments and local/regional conflicts. 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 United Kingdom recently decided to leave the European Union (“EU”), creating economic and political uncertainty in its wake. Significant uncertainty exists regarding the timing of the United Kingdom’s withdrawal from the EU and the effects such withdrawal will have on the Euro, European economies and the global markets. This may further impact, the value of the Euro and the British pound sterling, and has caused volatility and uncertainty in European and global markets.

As a result of events involving Ukraine and the Russian Federation, the United States and the European Union have imposed sanctions on certain Russian individuals and companies. These sanctions do not currently impact the Funds. Additional economic sanctions may be imposed or other actions may be taken that may adversely affect the value and liquidity of the Russian-related issuers’ held by the Funds.

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

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

Note 9—Securities Lending—To generate additional income, each of the Funds may lend its securities pursuant to a securities lending agreement with The Bank of New York Mellon, the securities lending agent and also the Funds’ custodian. Each Fund may lend up to 33% of its investments requiring that the loan be continuously collateralized by cash, U.S. government or U.S. government agency securities, shares of an investment trust or mutual fund, or any combination of cash and such securities at all times equal to at least 102% (105% for foreign securities) of the market value plus accrued interest on the securities loaned. Daily market fluctuations could cause the value of loaned securities to be more or less than the value of the collateral received. When this occurs, the collateral is adjusted and settled on the next business day. During the term of the loan, the Funds will continue to receive any dividends, interest or amounts equivalent thereto, on the securities loaned while receiving a fee from the borrower and/or earning interest on the investment of the cash collateral. Such fees and interest are shared with the securities lending agent under the terms of the securities lending agreement. The Funds may pay reasonable finders’, administrative and custodial fees in connection with a loan of its securities. Securities lending income is disclosed as such in the Statements of Operations. The collateral for securities loaned is recognized in the Schedules of Investments and the Statements of Assets and Liabilities. The cash collateral is maintained on the Funds’ behalf by the lending agent and is invested in repurchase agreements collateralized by obligations of the U.S. Treasury and/or Government Agencies. Loans are subject to termination at the option of the borrower or the Funds. Upon termination of the loan, the borrower will return to the lender securities identical to the securities loaned. The Funds bear the risk of delay in recovery of, or even loss of rights in, the securities loaned should the borrower of the securities fail financially. The value of loaned securities and related collateral outstanding at September 30, 2016 are presented on a gross basis in the Schedules of Investments and Statements of Assets and Liabilities.

Effective October 1, 2015, the Funds adopted new accounting guidance under Accounting Standards Update No. 2014-11 Transfers and Servicing (Topic 860) *Repurchase-to-Maturity Transactions, Repurchase Financings, and Disclosure*, which requires expanded disclosures related to financial assets pledged in secured financing transactions, such as securities lending, and the related contractual maturity terms of these secured transactions. Accordingly, the

VANECK VECTORS ETF TRUST

NOTES TO FINANCIAL STATEMENTS

(continued)

following table presents repurchase agreements held as collateral by type of security on loan pledged as of September 30, 2016.

Fund	Gross Amount of Recognized Liabilities for Securities Loaned in the Statements of Assets and Liabilities*	
	Equity Securities	
Morningstar Wide Moat ETF	69,535,048	

* Remaining contractual maturity of the agreements: overnight and continuous

Note 10—Bank Line of Credit—The Funds may participate in a \$200 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 Funds at the request of the shareholders and other temporary or emergency purposes. The Funds have agreed to pay commitment fees, pro rata, based on the unused but available balance. Interest is charged to the Funds at rates based on prevailing market rates in effect at the time of borrowings. During the year ended September 30, 2016, the following Funds borrowed under this Facility:

Fund	Days Outstanding	Average Daily Loan Balance	Average Interest Rate	Outstanding Loan Balance as of September 30, 2016
Morningstar Wide Moat ETF	278	\$1,113,926	1.74%	\$316,495

Note 11—Custodian Fees—The Funds have entered into an expense offset agreement with the custodian wherein they receive a credit toward the reduction of custodian fees whenever there are uninvested cash balances. The Funds could have invested their cash balances elsewhere if they had not agreed to a reduction in fees under the expense offset agreement with the custodian. For the year ended September 30, 2016, there were no offsets to custodian fees.

Note 12—Recent Accounting Pronouncements—On August 27, 2014, the Financial Accounting Standards Board issued Accounting Standards Update No. 2014-15 (“ASU 2014-15”), *Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern*, which requires management to assess the Funds’ ability to continue as a going concern and to provide related disclosures in certain circumstances. Under the new standard, disclosures are required when conditions give rise to substantial doubt about a company’s ability to continue as a going concern within one year from the financial statement issuance date. The new standard is effective for the annual period ending after December 15, 2016, and all annual and interim periods thereafter. Management is currently evaluating the impact that ASU 2014-15 will have on financial statement disclosure.

Note 13—Subsequent Event Review—The Funds have evaluated subsequent events and transactions for potential recognition or disclosure through the date the financial statements were issued.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Trustees and Shareholders of VanEck Vectors ETF Trust

We have audited the accompanying statements of assets and liabilities, including the schedules of investments of [REDACTED] and Morningstar Wide Moat ETF (three of the series constituting VanEck Vectors ETF Trust) (the “Funds”) as of September 30, 2016, and the related statements of operations, the statements of changes in net assets and the financial highlights for the periods indicated therein. These financial statements and financial highlights are the responsibility of the Funds’ management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Funds’ internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds’ internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of September 30, 2016, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Global Spin-Off ETF, Morningstar International Moat ETF and Morningstar Wide Moat ETF (three of the series constituting VanEck Vectors ETF Trust) at September 30, 2016, and the results of their operations, the changes in their net assets and the financial highlights for the periods indicated therein, in conformity with U.S. generally accepted accounting principles.

Ernst + Young LLP

New York, New York
November 28, 2016

VANECK VECTORS ETF TRUST

TAX INFORMATION

(unaudited)

The information set forth below is for each Fund’s fiscal year as required by federal laws. Shareholders, however, must report dividends on a calendar year basis for income tax purposes, which may include dividends for portions of two fiscal years of a Fund.

Accordingly, the information needed by shareholders for calendar year 2016 income tax purposes will be sent to them in early 2017. Please consult your tax advisor for proper treatment of this information.

The Fund listed below intends to pass through foreign tax credits in the maximum amounts shown. The gross foreign source income earned during the period ended September 30, 2016 by the Fund was as shown below.

<u>Fund</u>	<u>Foreign Tax Credits</u>	<u>Gross Foreign Source Income</u>

Corporate Dividends Received Deduction

The Funds listed below had the following percentage of ordinary income dividends paid that qualified for the Corporate Received Deduction for fiscal-year 2016.

Morningstar Wide Moat ETF	85.58%
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VANECK VECTORS ETF TRUST

BOARD OF TRUSTEES AND OFFICERS

September 30, 2016 (unaudited)

Independent Trustees:

Name, Address ¹ and Year of Birth	Position(s) Held with the Trust	Term of Office ² and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex ³ Overseen	Other Directorships Held By Trustee During Past Five Years
David H. Chow, 1957*†	Chairman Trustee	Since 2008 Since 2006	Founder and CEO, DanCourt Management LLC (financial/strategy consulting firm and Registered Investment Adviser), March 1999 to present.	60	Director, Forward Management LLC and Audit Committee Chairman, May 2008 to June 2015; Trustee, Berea College of Kentucky and Vice-Chairman of the Investment Committee, May 2009 to present; Member of the Governing Council of the Independent Directors Council, October 2012 to present; President, July 2013 to June 2015; and Board Member of the CFA Society of Stamford, July 2009 to present; Advisory Board member, MainStay Fund Complex ⁴ , June 2015 to December 2015; Trustee, MainStay Fund Complex ⁴ , January 2016 to present.
R. Alastair Short, 1953*†	Trustee	Since 2006	President, Apex Capital Corporation (personal investment vehicle), January 1988 to present; Vice Chairman, W.P. Stewart & Co., Inc. (asset management firm), September 2007 to September 2008; and Managing Director, The GlenRock Group, LLC (private equity investment firm), May 2004 to September 2007.	72	Chairman and Independent Director, EULAV Asset Management, January 2011 to present; Independent Director, Tremont offshore funds, June 2009 to present; Director, Kenyon Review.
Peter J. Sidebottom, 1962*†	Trustee	Since 2012	Partner, PWC/Strategy & Financial Services Advisory, February 2015 – present; Founder and Board Member, AspenWoods Risk Solutions, September 2013 to present; Independent consultant, June 2013 to February 2015; Partner, Bain & Company (management consulting firm), April 2012 to December 2013; Executive Vice President and Senior Operating Committee Member, TD Ameritrade (on-line brokerage firm), February 2009 to January 2012.	60	Board Member, Special Olympics, New Jersey, November 2011 to September 2013; Director, The Charlotte Research Institute, December 2000 to present; Board Member, Social Capital Institute, University of North Carolina Charlotte, November 2004 to January 2012; Board Member, NJ-CAN, July 2014 to present.
Richard D. Stamberger, 1959*†	Trustee	Since 2006	Director, President and CEO, SmartBrief, Inc. (media company).	72	Director, Food and Friends, Inc., 2013 to present.

Interested Trustee:

Jan F. van Eck, 1963 ⁵	Trustee, President and Chief Executive Officer	Trustee (Since 2006); President and Chief Executive Officer (Since 2009)	Director, President, Chief Executive Officer and Owner of the Adviser, Van Eck Associates Corporation; Director, President and Chief Executive Officer, Van Eck Securities Corporation ("VESC"); Director, President and Chief Executive Officer, Van Eck Absolute Return Advisers Corp. ("VEARA").	60	Director, National Committee on US-China Relations.
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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. Officers are elected yearly by the Trustees.

³ The Fund Complex consists of the VanEck Funds, VanEck VIP Trust, and the Trust.

⁴ The MainStay Fund Complex consists of MainStay Funds Trust, MainStay Funds, MainStay VP Funds Trust, Private Advisors Alternative Strategies Master Fund, Private Advisors Alternative Strategies Fund and MainStay DefinedTerm Municipal Opportunities Fund.

⁵ "Interested person" of the Trust within the meaning of the 1940 Act. Mr. van Eck is an officer of the Adviser.

* Member of the Audit Committee.

† Member of the Nominating and Corporate Governance Committee.

VANECK VECTORS ETF TRUST

BOARD OF TRUSTEES AND OFFICERS

September 30, 2016 (unaudited) (continued)

Officers:

Officer's Name, Address ¹ and Year of Birth	Position(s) Held with the Trust	Term of Office ² and Length of Time Served	Principal Occupation(s) During The Past Five Years
Matthew A. Babinsky, 1983	Assistant Vice President and Assistant Secretary	Since 2016	Assistant Vice President and Assistant General Counsel of the Adviser, VESC and 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 and Assistant Treasurer of the Adviser (since 2008); Manager (Portfolio Administration) of the Adviser, September 2005 to October 2008; Officer of other investment companies advised by the Adviser.
Charles T. Cameron, 1960	Vice President	Since 2006	Director of Trading (since 1995) and Portfolio Manager (since 1997) for the Adviser; Officer of other investment companies advised by the Adviser.
Simon Chen, 1971	Assistant Vice President	Since 2012	Greater China Director of the Adviser (since January 2012); General Manager, SinoMarkets Ltd. (June 2007 to December 2011).
John J. Crimmins, 1957	Vice President, Treasurer, Chief Financial Officer and Principal Accounting Officer	Vice President, Chief Financial Officer and Principal Accounting Officer (Since 2012); Treasurer (Since 2009)	Vice President of Portfolio Administration of the Adviser, June 2009 to present; Vice President of VESC and VEARA, June 2009 to present; Chief Financial, Operating and Compliance Officer, Kern Capital Management LLC, September 1997 to February 2009; Officer of other investment companies advised by the Adviser.
Uwe Eberle, 1965	Vice President	Since 2016	Managing Director of Van Eck Switzerland AG (since 2010).
Eduardo Escario, 1975	Vice President	Since 2012	Regional Director, Business Development/Sales for Southern Europe and South America of the Adviser (since July 2008); Regional Director (Spain, Portugal, South America and Africa) of Dow Jones Indexes and STOXX Ltd. (May 2001 – July 2008).
Susan C. Lashley, 1955	Vice President	Since 2006	Vice President of the Adviser and VESC; Officer of other investment companies advised by the Adviser.
Laura I. Martínez, 1980	Vice President and Assistant Secretary	Vice President (Since 2016) and Assistant Secretary (Since 2008)	Vice President (since 2016), Associate General Counsel and Assistant Secretary (since 2008) and Assistant Vice President (2008 to 2016) of the Adviser, VESC and VEARA (since 2008); Associate, Davis Polk & Wardwell (October 2005 – June 2008); Officer of other investment companies advised by the Adviser.
Ferat Oeztuerk, 1983	Assistant Vice President	Since 2012	Sales Associate, VanEck (Europe) GmbH (since November 2011); Account Manager, Vodafone Global Enterprise Limited (January 2011 to October 2011).
James Parker, 1969	Assistant Treasurer	Since June 2014	Manager (Portfolio Administration) of the Adviser (since June 2010); Vice President of JPMorgan Chase & Co. (April 1999 – January 2010).
Philipp Schlegel, 1974	Vice President	Since 2016	Senior Director of Van Eck Switzerland AG (since 2010).
Jonathan R. Simon, 1974	Senior Vice President, Secretary and Chief Legal Officer	Senior Vice President (Since 2016) and Secretary and Chief Legal Officer (Since 2014)	Senior Vice President (since 2016), General Counsel and Secretary (since 2014) and Vice President (2006 to 2016) of the Adviser, VESC and VEARA; Officer of other investment companies advised by the Adviser.
Bruce J. Smith, 1955	Senior Vice President	Since 2006	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.

Officers:

Officer's Name, Address¹ and Year of Birth	Position(s) Held with the Trust	Term of Office² and Length of Time Served	Principal Occupation(s) During The Past Five Years
Janet Squitieri, 1961	Chief Compliance Officer	Since September 2013	Vice President, Global Head of Compliance of the Adviser, VESC and VEARA (since September 2013); Chief Compliance Officer and Senior Vice President North America of HSBC Global Asset Management NA (August 2010 – September 2013); Chief Compliance Officer North America of Babcock & Brown LP (July 2008 – June 2010).

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

2 Officers are elected yearly by the Trustees.

VANECK VECTORS ETF TRUST

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT

September 30, 2016 (unaudited)

At a meeting held on June 10, 2016 (the “Renewal Meeting”), the Board of Trustees (the “Board”) of VanEck Vectors™ ETF Trust (the “Trust”), including all of the Trustees that are not interested persons of the Trust (the “Independent Trustees”), approved the continuation of the investment management agreements between the Trust and Van Eck Associates Corporation (the “Adviser”) (the “Investment Management Agreements”) with respect to the VanEck Vectors

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] Morningstar Wide Moat ETF,
[REDACTED]
[REDACTED]

(each, a “Fund” and together, the “Funds”).

The Board’s approval of the Investment Management Agreements was based on a comprehensive consideration of all of the information available to the Trustees and was not the result of any single factor. Some of the factors that figured particularly in the Trustees’ deliberations and how the Trustees considered those factors are described below, although individual Trustees may have evaluated the information presented differently, giving different weights to various factors.

In preparation for the Renewal Meeting, the Trustees held a meeting on May 10, 2016. At that meeting, the Trustees discussed the information the Adviser and Broadridge Financial Solutions, Inc. (“Broadridge”), an independent third party data provider, had provided to them in advance. The information provided to the Trustees included, among other things, information about the performance (for those Funds which had begun operations) and expenses of the Funds and the Funds’ peer funds (other index-based exchange-traded funds (“ETFs”)), information about the advisory services provided to the Funds and the personnel providing those services, and the profitability and other benefits enjoyed by the Adviser and its affiliates as a result of the Adviser’s relationship with the Funds. In reviewing performance information for the Funds against their peer groups, the Trustees considered that each Fund except for the [REDACTED] [REDACTED] and Morningstar Wide Moat ETF generally invests in a different group of issuers than the funds in its designated peer group. They also considered the fact that VanEck Vectors [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED] In addition, as noted below, the Trustees reviewed certain performance information for each Fund that was not provided by Broadridge. For these and other reasons, the Trustees noted that the peer group performance information did not necessarily provide meaningful direct comparisons to the Funds.

The Independent Trustees’ consideration of the Investment Management Agreements was based, in part, on their review of information obtained through discussions with the Adviser at the Renewal Meeting and the May 10, 2016 meeting regarding the management of the Funds and information obtained at other meetings of the Trustees and/or based on their review of the materials provided by the Adviser, including the background and experience of the portfolio managers and others involved in the management and administration of the Funds. The Trustees also considered the terms of, and scope of services that the Adviser provides under, the Investment Management Agreements, including, where applicable, the Adviser’s commitment to waive certain fees and/or pay expenses of each of the Funds to the extent necessary to prevent the operating expenses of each of the Funds from exceeding agreed upon limits for a period of time.

The Trustees concluded that the Adviser and its personnel have the requisite expertise and skill to manage the Funds' portfolios. In evaluating the performance over relevant periods of each of the Funds that had commenced operations prior to the date of the Renewal Meeting (the "Operating Funds"), the Trustees reviewed various performance metrics but relied principally on a comparison of the "gross" performance of each Operating Fund (*i.e.*, measured without regard to the impact of fees and expenses) to the performance of its benchmark index, in each case incorporating any fair value adjustments to the underlying securities. Based on the foregoing, the Trustees concluded that the investment performance of the Operating Funds was satisfactory.

The Trustees also considered information relating to the financial condition of the Adviser and the current status, as they understood it, of the Adviser's compliance environment.

As noted above, the Trustees were also provided various data from Broadridge comparing the Operating Funds' expenses and performance to that of other ETFs. The Trustees noted that the information provided showed that each Operating Fund had management fees (after the effect of any applicable fee waiver) below the average and median of its respective peer group of funds, except for VanEck Vectors Morningstar Wide Moat ETF, which had management fees (after the effect of any applicable fee waiver) greater than the average and median of its peer group of funds. The Trustees also noted that the information provided showed that each Operating Fund had a total expense ratio (after the effect of any applicable expense limitation) below the average and median of its respective peer group of funds, except for each of [REDACTED] Morningstar Wide Moat ETF, [REDACTED] [REDACTED] which had a total expense ratio (after the effect of any applicable expense limitation) greater than the average and/or median of its peer group of funds. With respect to these Operating Funds, the Trustees reviewed the amount by which these Operating Funds' total expense ratios (after the effect of any applicable expense limitation) exceeded the average and/or median of their respective peer groups and information provided by the Adviser providing context for these comparisons. The Trustees concluded, in light of this information and the other information available to them, that the fees paid by the Operating Funds were reasonable in light of the performance of the Operating Funds and the quality of services received.

The Trustees also considered the benefits, other than fees under the Investment Management Agreements, received by the Adviser from serving as adviser to the Funds.

The Trustees also considered information provided by the Adviser about the overall profitability of the Adviser and its profitability or loss in respect of each Operating Fund. The Trustees reviewed each Fund's asset size, expense ratio and expense cap and noted that the Investment Management Agreements do not include breakpoints in the advisory fee rates as asset levels in a Fund increase. The Trustees considered the potential variability in the net assets of these Funds and the sustainability of any potential economies of scale which may exist given where fees are currently set. The Trustees also evaluated the extent to which management fees for the Operating Funds effectively incorporate the benefits of economies of scale. The Trustees noted that the Adviser has capped expenses on each Operating Fund since its inception. Based on the foregoing and the other information available to them, the Trustees determined that the advisory fee rate for each Fund is reasonable and appropriate in relation to the current asset size of each Fund and the other factors discussed above and that the advisory fee rate for each Fund currently reflects an appropriate sharing with shareholders of any economies of scale which may exist. The Trustees also determined that the profits earned by the Adviser in respect of the Funds that were profitable to the Adviser were reasonable in light of the nature and quality of the services received by such Funds.

The Trustees did not consider historical information about the cost of the services provided by the Adviser or the profitability to the Adviser of [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] to the Adviser because the Funds had not yet commenced operations at the time of the Renewal Meeting. The Trustees also could not consider the historical performance or the quality of services previously provided to each of these Funds, although they concluded that the

VANECK VECTORS ETF TRUST

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT

September 30, 2016 (unaudited) (continued)

nature, quality and extent of the services to be provided by the Adviser were appropriate based on the Trustees' knowledge of the Adviser and its personnel and the operations of the other series of the Trust.

The Independent Trustees were advised by and met in executive session with their independent counsel at the Renewal Meeting and at their May 10, 2016 meeting as part of their consideration of the Investment Management Agreements.

In voting to approve the continuation of the Investment Management Agreements, the Trustees, including the Independent Trustees, concluded that the terms of each Investment Management Agreement are reasonable and fair in light of the services to be performed, expenses to be incurred and such other matters as the Trustees considered relevant in the exercise of their reasonable judgment. The Trustees further concluded that each Investment Management Agreement is in the best interest of each Fund and such Fund's shareholders.

This report is intended for the Funds' shareholders. It may not be distributed to prospective investors unless it is preceded or accompanied by a VanEck Vectors ETF Trust (the "Trust") Prospectus, which includes more complete information. An investor should consider the investment objective, risks, and charges and expenses of the Funds 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 Trust's Board of Trustees/Officers and a description of the policies and procedures the Trust uses to determine how to vote proxies relating to portfolio securities are provided in the Statement of Additional Information. The Statement of Additional Information and information regarding how the Trust voted proxies relating to portfolio securities during the most recent twelve month period ending June 30 is available, without charge, by calling 800.826.2333, or by visiting vaneck.com, or on the Securities and Exchange Commission's website at <http://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 <http://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 Funds' complete schedules of portfolio holdings are also available by calling 800.826.2333 or by visiting vaneck.com.



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