



VanEck Investments Limited
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21 September 2018

ASX Limited
Market Announcements Office

ANNUAL FINANCIAL REPORT

[FOR RELEASE UNDER EACH ASX CODE LISTED BELOW]

VanEck Investments Limited announces the attached '*VanEck Australian Equity ETFs Financial Report for the Year Ended 30 June 2018*' which covers the following exchange traded funds listed in the table below:

ASX code	Fund
FDIV	VanEck Vectors S&P/ASX Franked Dividend ETF
MVA	VanEck Vectors Australian Property ETF
MVB	VanEck Vectors Australian Banks ETF
MVE	VanEck Vectors S&P/ASX MidCap ETF
MVR	VanEck Vectors Australian Resources ETF
MVS	VanEck Vectors Small Companies Masters ETF
MVW	VanEck Vectors Australian Equal Weight ETF

For more information:

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

IMPORTANT NOTICE: This information is issued by VanEck Investments Limited ABN 22 146 596 116 AFSL 416755 ('VanEck') as the responsible entity and issuer of the VanEck Vectors Australian domiciled exchange traded funds ('Funds'). This is general information only and not financial advice. It does not take into account any person's individual objectives, financial situation or needs. Before making an investment decision in relation to a Fund, you should read the applicable PDS and with the assistance of a financial adviser consider if it is appropriate for your circumstances. PDSs are available at www.vaneck.com.au or by calling 1300 68 38 37. The Funds are subject to investment risk, including possible loss of capital invested. Past performance is not a reliable indicator of future performance. No member of the VanEck group of companies gives any guarantee or assurance as to the repayment of capital, the payment of income, the performance, or any particular rate of return from any Fund.

VanEck Australian Equity ETFs

Financial report

For the year ended 30 June 2018

This financial report covers the following VanEck Australian Equity ETFs:

VanEck Vectors S&P/ASX Franked Dividend ETF

ARSN 611 368 499

VanEck Vectors Australian Property ETF

ARSN 165 151 771

VanEck Vectors Australian Banks ETF

ARSN 165 150 854

VanEck Vectors S&P/ASX MidCap ETF

ARSN 165 153 944

VanEck Vectors Australian Resources ETF

ARSN 165 153 695

VanEck Vectors Small Companies Masters ETF

ARSN 605 328 087

VanEck Vectors Australian Equal Weight ETF

ARSN 167 523 211

VanEck Australian Equity ETFs

Financial report

For the year ended 30 June 2018

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These financial statements cover the VanEck Vectors S&P/ASX Franked Dividend ETF, VanEck Vectors Australian Property ETF, VanEck Vectors Australian Banks ETF, VanEck Vectors S&P/ASX Midcap ETF, VanEck Vectors Australian Resources ETF, VanEck Vectors Small Companies Masters ETF, VanEck Vectors Australian Equal Weight ETF as individual entities.

The Responsible Entity of the Funds is VanEck Investments Limited (ACN 146 596 116) (AFSL 416755). The Responsible Entity's registered office is:

VanEck Investments Limited
Aurora Place
Level 4, Suite 3, 88 Phillip Street
SYDNEY NSW AUSTRALIA 2000

Directors' report

The directors of VanEck Investments Limited (ACN 146 596 116), the Responsible Entity of VanEck Vectors S&P/ASX Franked Dividend ETF, VanEck Vectors Australian Property ETF, VanEck Vectors Australian Banks ETF, VanEck Vectors S&P/ASX Midcap ETF, VanEck Vectors Australian Resources ETF, VanEck Vectors Small Companies Masters ETF, VanEck Vectors Australian Equal Weight ETF (the "Funds"), present their report together with the financial statements of the Funds for the year ended 30 June 2018.

Funds information

The Funds are Australian registered managed investment schemes.

The Responsible Entity's registered office is located at Aurora Place, Level 4, 88 Phillip Street, Sydney NSW 2000.

Principal activities

The Funds are exchange traded funds which are registered investment schemes.

VanEck Vectors S&P/ASX Franked Dividend ETF invests in Australian listed equities in accordance with the product disclosure statement of the Fund and the Fund's Constitution.

VanEck Vectors Australian Property ETF invests in largest and most liquid Australian Real Estate Investment Trusts (A-REITs) securities including industrial, commercial, retail and residential property segments in accordance with the provisions of the product disclosure statement of the Fund and the Fund's Constitution.

VanEck Vectors Australian Banks ETF invests in largest and most liquid ASX-listed banks that generate revenues from the Australian banking sector in accordance with the product disclosure statement of the Fund and the Fund's Constitution.

VanEck Vectors S&P/ASX Midcap ETF invests in Australian listed equity securities and listed unit trusts in accordance with the provisions of the product disclosure statement of the Fund and the Fund's Constitution.

VanEck Vectors Australian Resources ETF invests in the largest and most liquid ASX-listed companies that generate revenues from the Australian resources sector in accordance with the provisions of the product disclosure statement of the Fund and the Fund's Constitution.

VanEck Vectors Small Companies Masters ETF invests in most liquid small-cap ASX-listed companies that generate revenues in Australia and did not omit their latest dividend payment in accordance with the provisions of the product disclosure statement of the Fund and the Fund's Constitution.

VanEck Vectors Australian Equal Weight ETF invests in largest and most liquid ASX-listed companies all equally weighted with diversification across both securities and sectors in accordance with the provisions of the product disclosure statement of the Fund and the Fund's Constitution.

The Funds did not have any employees during the year.

There were no significant changes in the nature of the Funds' activities during the year.

Directors

The following persons held office as directors of VanEck Investments Limited during the year and up to the date of this report:

Jan van Eck
Bruce Smith
Arian Neiron
Michael Brown
Jonathan Simon

Directors' report (continued)

Review and results of operations

The Funds continued to invest in accordance with the product disclosure statement of the Funds and the provisions of the Funds' Constitution.

VanEck Vectors S&P/ASX Franked Dividend ETF generally invests in the securities that are constituents of the S&P/ASX Franked Dividend Index and aims to track the performance of the Index (with net dividends reinvested) in Australian dollars, before taking into account fees, expenses and tax.

VanEck Vectors Australian Property ETF generally invests in the securities that are constituents of the MVIS Australia A-REITs Index and aims to track the performance of the Index (with net dividends reinvested) in Australian dollars, before taking into account fees, expenses and tax.

VanEck Vectors Australian Banks ETF generally invests in the securities that are constituents of the MVIS Australia Banks Index and aims to track the performance of the Index (with net dividends reinvested) in Australian dollars, before taking into account fees, expenses and tax.

VanEck Vectors S&P/ASX MidCap ETF generally invests in the securities that are constituents of the S&P/ASX MidCap 50 Index and aims to track the performance of the Index (with net dividends reinvested) in Australian dollars, before taking into account fees, expenses and tax.

VanEck Vectors Australian Resources ETF generally invests in the securities that are constituents of the MVIS Australia Energy & Mining Index and aims to track the performance of the Index (with net dividends reinvested) in Australian dollars, before taking into account fees, expenses and tax.

VanEck Vectors Small Companies Masters ETF generally invests in the securities that are constituents of the MVIS Australia Small-Cap Dividend Payers Index and aims to track the performance of the Index (with net dividends reinvested) in Australian dollars, before taking into account fees, expenses and tax.

VanEck Vectors Australian Equal Weight ETF generally invests in the securities that are constituents of the MVIS Australian Equal Weight Index and aims to track the performance of the Index (with net dividends reinvested) in Australian dollars, before taking into account fees, expenses and tax.

Results

The performance of the Funds, as represented by the results of its operations, were as follows:

	VanEck Vectors S&P/ASX Franked Dividend ETF		VanEck Vectors Australian Property ETF	
	Year ended 30 June 2018	Period from 27 April 2016 to 30 June 2017	30 June 2018	30 June 2017
	\$	\$	\$'000	\$'000
Operating profit/(loss) before finance costs attributable to unitholders	<u>323,236</u>	(84,060)	<u>11,977</u>	(2,141)
Distribution to unitholders	<u>182,956</u>	155,443	<u>4,565</u>	3,160
Distribution (cents per unit - CPU)	<u>113.89</u>	106.30	<u>101.00</u>	109.47

Directors' report (continued)

Review and results of operations (continued)

	VanEck Vectors Australian Banks ETF		VanEck Vectors S&P/ASX MidCap ETF	
	Year ended		Year ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	\$'000	\$'000	\$'000	\$'000
Operating profit/(loss) before finance costs attributable to unitholders	<u>1,820</u>	<u>4,866</u>	<u>7,665</u>	<u>2,518</u>
Distribution to unitholders	<u>841</u>	<u>1,463</u>	<u>1,631</u>	<u>746</u>
Distribution (cents per unit - CPU)	<u>81.00</u>	<u>148.36</u>	<u>65.00</u>	<u>56.01</u>

	VanEck Vectors Australian Resources ETF		VanEck Vectors Small Companies Masters ETF	
	Year ended		Year ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	\$'000	\$'000	\$'000	\$'000
Operating profit/(loss) before finance costs attributable to unitholders	<u>15,175</u>	<u>784</u>	<u>11,253</u>	<u>4,396</u>
Distribution to unitholders	<u>1,152</u>	<u>401</u>	<u>2,261</u>	<u>1,659</u>
Distribution (cents per unit - CPU)	<u>60.00</u>	<u>41.54</u>	<u>66.00</u>	<u>59.34</u>

	VanEck Vectors Australian Equal Weight ETF	
	Year ended	
	30 June 2018	30 June 2017
	\$'000	\$'000
Operating profit/(loss) before finance costs attributable to unitholders	<u>47,480</u>	<u>23,112</u>
Distribution to unitholders	<u>12,240</u>	<u>6,059</u>
Distribution (cents per unit - CPU)	<u>77.00</u>	<u>71.25</u>

Significant changes in the state of affairs

The Funds has amended their Constitutions to change the obligation to distribute trust income to unit holders effective 1 July 2017 as part of a process to become eligible to elect into the new Attribution Managed Investment Trust ("AMIT") tax regime.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Funds that occurred during the financial year.

Directors' report (continued)

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect:

- (i) the operations of the Funds in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Funds in future financial years.

Likely developments and expected results of operations

The Funds will continue to be managed in accordance with the investment objectives and guidelines as set out in the product disclosure statement of the Funds and in accordance with the provisions of the Funds' Constitutions.

The results of the Funds' operations will be affected by a number of factors, including the performance of investment markets in which the Funds invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

The future returns are dependent upon the performance of the underlying Index. The Funds' investment objective and strategy remains unchanged which is to track the performance of the Index. Accordingly the future returns of the Funds are dependent on the performance of the Index.

Indemnity and insurance of officers

No insurance premiums are paid for out of the assets of the Funds in regards to insurance cover provided to either the officers of VanEck Investments Limited or the auditors of the Funds. So long as the officers of VanEck Investments Limited act in accordance with the Funds' Constitutions and the Law, the officers remain indemnified out of the assets of the Funds against losses incurred while acting on behalf of the Funds.

Indemnity of auditors

The auditors of the Funds are in no way indemnified out of the assets of the Funds.

Proceedings on behalf of the Funds

No person has applied for leave of Court to bring proceedings on behalf of the Funds or intervene in any proceedings to which the Funds is a party for the purpose of taking responsibility on behalf of the Funds for all or any part of those proceedings.

The Funds were not a party to any such proceedings during the year.

Fees paid to and interests held in the Funds by the Responsible Entity or its associates

No fees were paid out of the Funds property to the directors of the Responsible Entity during the year.

The number of interests in the Funds held by the Responsible Entity or its associates as at the end of the financial year are disclosed in note 14 to the financial statements.

Interests in the Funds

The movement in units on issue in the Funds during the year is disclosed in note 7 to the financial statements.

The value of the Funds' assets and liabilities is disclosed on the Statements of financial position and derived using the basis set out in note 2 to the financial statements.

Directors' report (continued)

Environmental regulation

The operations of the Funds are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Rounding of amounts to the nearest dollar/thousand dollars

The Funds are entities of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission (ASIC) relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report have been rounded to the nearest dollar/thousand dollars in accordance with that ASIC Corporations Instrument, unless otherwise indicated.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

This report is made in accordance with a resolution of the directors.



Arian Neiron
Director

Sydney
21 September 2018

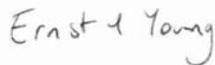
Auditor's Independence Declaration to the Directors of VanEck Investments Limited, as Responsible Entity for VanEck Australian Equity ETFs

For the following VanEck Australian Equity ETFs (the "Funds"):

- VanEck Vectors S&P/ASX Franked Dividend ETF
- VanEck Vectors Australian Property ETF
- VanEck Vectors Australian Banks ETF
- VanEck Vectors S&P/ASX MidCap ETF
- VanEck Vectors Australian Resources ETF
- VanEck Vectors Small Companies Masters ETF
- VanEck Vectors Australian Equal Weight ETF

As lead auditor for the audit of the Funds above for the financial year ended 30 June 2018, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



Ernst & Young



Rohit Khanna
Partner
Sydney
21 September 2018

Statements of comprehensive income

	Notes	VanEck Vectors S&P/ASX Franked Dividend ETF		VanEck Vectors Australian Property ETF	
		Year ended 30 June 2018 \$	Period from 27 April 2016 to 30 June 2017 \$	30 June 2018 \$'000	30 June 2017 \$'000
Investment income					
Dividend and distribution income		190,345	169,869	4,886	2,786
Net gains/(losses) on financial instruments held at fair value through profit or loss	5	149,005	(238,933)	7,425	(4,708)
Total investment income/(loss)		339,350	(69,064)	12,311	(1,922)
Expenses					
Management fees	14	13,500	13,257	296	196
Transaction costs		255	566	8	2
Other operating expenses		2,359	1,173	30	21
Total operating expenses		16,114	14,996	334	219
Profit/(loss) for the year/period		323,236	(84,060)	11,977	(2,141)
Other comprehensive income for the year/period		-	-	-	-
Total comprehensive income for the year/period		323,236	(84,060)	11,977	(2,141)

The above Statements of comprehensive income should be read in conjunction with the accompanying notes.

Statements of comprehensive income (continued)

		VanEck Vectors Australian Banks ETF		VanEck Vectors S&P/ASX MidCap ETF	
		Year ended		Year ended	
		30 June 2018	30 June 2017	30 June 2018	30 June 2017
	Notes	\$'000	\$'000	\$'000	\$'000
Investment income					
Dividend and distribution income		1,706	1,541	2,026	884
Net gains/(losses) on financial instruments held at fair value through profit or loss	5	<u>210</u>	<u>3,408</u>	<u>5,932</u>	<u>1,739</u>
Total investment income/(loss)		<u>1,916</u>	<u>4,949</u>	<u>7,958</u>	<u>2,623</u>
Expenses					
Management fees	14	82	72	273	98
Transaction costs		2	1	6	3
Dividend withholding tax		-	-	5	-
Other operating expenses		<u>12</u>	<u>10</u>	<u>9</u>	<u>4</u>
Total operating expenses		<u>96</u>	<u>83</u>	<u>293</u>	<u>105</u>
Profit/(loss) for the year/period		<u>1,820</u>	<u>4,866</u>	<u>7,665</u>	<u>2,518</u>
Other comprehensive income for the year/period		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year/period		<u>1,820</u>	<u>4,866</u>	<u>7,665</u>	<u>2,518</u>

The above Statements of comprehensive income should be read in conjunction with the accompanying notes.

Statements of comprehensive income (continued)

	Notes	VanEck Vectors Australian Resources ETF		VanEck Vectors Small Companies Masters ETF	
		Year ended		Year ended	
		30 June 2018	30 June 2017	30 June 2018	30 June 2017
		\$'000	\$'000	\$'000	\$'000
Investment income					
Dividend and distribution income		1,269	450	2,471	1,885
Net gains/(losses) on financial instruments held at fair value through profit or loss	5	<u>14,093</u>	<u>388</u>	<u>9,134</u>	<u>2,754</u>
Total investment income/(loss)		<u>15,362</u>	<u>838</u>	<u>11,605</u>	<u>4,639</u>
Expenses					
Management fees	14	175	50	327	228
Transaction costs		4	1	7	4
Dividend withholding tax		-	-	1	-
Other operating expenses		<u>8</u>	<u>3</u>	<u>17</u>	<u>11</u>
Total operating expenses		<u>187</u>	<u>54</u>	<u>352</u>	<u>243</u>
Profit/(loss) for the year/period		<u>15,175</u>	<u>784</u>	<u>11,253</u>	<u>4,396</u>
Other comprehensive income for the year/period		-	-	-	-
Total comprehensive income for the year/period		<u>15,175</u>	<u>784</u>	<u>11,253</u>	<u>4,396</u>

The above Statements of comprehensive income should be read in conjunction with the accompanying notes.

Statements of comprehensive income (continued)

		VanEck Vectors Australian Equal Weight ETF	
		Year ended	
		30 June 2018	30 June 2017
		\$'000	\$'000
	Notes		
Investment income			
Interest income		1	-
Dividend and distribution income		15,345	6,610
Net gains/(losses) on financial instruments held at fair value through profit or loss	5	<u>33,663</u>	<u>17,164</u>
Total investment income/(loss)		<u>49,009</u>	<u>23,774</u>
Expenses			
Management fees	14	1,396	613
Transaction costs		48	15
Other operating expenses		<u>85</u>	<u>34</u>
Total operating expenses		<u>1,529</u>	<u>662</u>
Profit/(loss) for the year/period		<u>47,480</u>	<u>23,112</u>
Other comprehensive income for the year/period		<u>-</u>	<u>-</u>
Total comprehensive income for the year/period		<u>47,480</u>	<u>23,112</u>

The above Statements of comprehensive income should be read in conjunction with the accompanying notes.

Statements of financial position

	Notes	VanEck Vectors S&P/ASX Franked Dividend ETF		VanEck Vectors Australian Property ETF	
		As at		As at	
		30 June 2018	30 June 2017	30 June 2018	30 June 2017
		\$	\$	\$'000	\$'000
Assets					
Cash and cash equivalents	9	-	2,286	35	12
Due from brokers - receivable for securities sold		-	33,937	1,850	1,730
Receivables	12	34,149	27,442	2,691	1,185
Financial assets held at fair value through profit or loss	6	<u>3,901,590</u>	<u>3,725,410</u>	<u>116,611</u>	<u>58,670</u>
Total assets		<u>3,935,739</u>	<u>3,789,075</u>	<u>121,187</u>	<u>61,597</u>
Liabilities					
Bank overdraft	9	30,498	24,233	2,625	1,161
Payables	13	5,363	6,322	39	19
Distributions payable	8	<u>4,847</u>	<u>35,004</u>	<u>2,428</u>	<u>1,759</u>
Total liabilities		<u>40,708</u>	<u>65,559</u>	<u>5,092</u>	<u>2,939</u>
Equity		<u>3,895,031</u>	<u>3,723,516</u>	<u>116,095</u>	<u>58,658</u>

The above Statements of financial position should be read in conjunction with the accompanying notes.

Statements of financial position (continued)

	Notes	VanEck Vectors Australian Banks ETF		VanEck Vectors S&P/ASX MidCap ETF	
		As at		As at	
		30 June 2018	30 June 2017	30 June 2018	30 June 2017
		\$'000	\$'000	\$'000	\$'000
Assets					
Cash and cash equivalents	9	-	-	14	161
Due from brokers - receivable for securities sold		-	685	-	748
Receivables	12	724	616	2,986	48
Financial assets held at fair value through profit or loss	6	35,225	26,586	88,449	33,554
Total assets		35,949	27,887	91,449	34,511
Liabilities					
Bank overdraft	9	712	611	92	43
Due to broker - payable for securities purchased		-	-	2,833	151
Payables	13	16	6	37	13
Distributions payable	8	38	740	627	746
Total liabilities		766	1,357	3,589	953
Equity		35,183	26,530	87,860	33,558

The above Statements of financial position should be read in conjunction with the accompanying notes.

Statements of financial position (continued)

	Notes	VanEck Vectors Australian Resources ETF		VanEck Vectors Small Companies Masters ETF	
		As at		As at	
		30 June 2018	30 June 2017	30 June 2018	30 June 2017
		\$'000	\$'000	\$'000	\$'000
Assets					
Cash and cash equivalents	9	9	2	173	43
Due from brokers - receivable for securities sold		-	319	655	848
Receivables	12	1,389	16	334	240
Financial assets held at fair value through profit or loss	6	96,501	25,852	69,684	55,977
Total assets		<u>97,899</u>	<u>26,189</u>	<u>70,846</u>	<u>57,108</u>
Liabilities					
Bank overdraft	9	42	15	338	236
Due to broker - payable for securities purchased		1,342	-	148	25
Payables	13	29	8	29	24
Distributions payable	8	432	314	1,042	849
Total liabilities		<u>1,845</u>	<u>337</u>	<u>1,557</u>	<u>1,134</u>
Equity		<u>96,054</u>	<u>25,852</u>	<u>69,289</u>	<u>55,974</u>

The above Statements of financial position should be read in conjunction with the accompanying notes.

Statements of financial position (continued)

		VanEck Vectors Australian Equal Weight ETF	
		As at	
		30 June 2018	30 June 2017
		\$'000	\$'000
	Notes		
Assets			
Cash and cash equivalents	9	88	65
Due from brokers - receivable for securities sold		1,091	3,123
Receivables	12	2,614	7,898
Financial assets held at fair value through profit or loss	6	<u>522,258</u>	<u>263,269</u>
Total assets		<u>526,051</u>	<u>274,355</u>
Liabilities			
Bank overdraft	9	2,562	1,227
Due to broker - payable for securities purchased		-	6,647
Payables	13	186	90
Distributions payable	8	<u>4,214</u>	<u>3,212</u>
Total liabilities		<u>6,962</u>	<u>11,176</u>
Equity		<u>519,089</u>	<u>263,179</u>

The above Statements of financial position should be read in conjunction with the accompanying notes.

Statements of changes in equity

	VanEck Vectors S&P/ASX Franked Dividend ETF		VanEck Vectors Australian Property ETF	
	Year ended 30 June 2018	Period from 27 April 2016 to 30 June 2017	Year ended 30 June 2018	Year ended 30 June 2017
Notes	\$	\$	\$'000	\$'000
Total equity at the beginning of the year/period	3,723,516	-	58,658	56,834
Issue of redeemable participating units	7,960	3,957,797	49,954	8,556
Units issued upon reinvestment of distributions	23,275	5,222	71	36
Redemption of redeemable participating units	-	-	-	(1,467)
Comprehensive income for the year/period	323,236	(84,060)	11,977	(2,141)
Distributions	8 (182,956)	(155,443)	(4,565)	(3,160)
Total equity at the end of the year/period	3,895,031	3,723,516	116,095	58,658

Movement in units in issue are disclosed in note 7 to the financial statements.

The above Statements of changes in equity should be read in conjunction with the accompanying notes.

Statements of changes in equity (continued)

	Notes	VanEck Vectors Australian Banks ETF		VanEck Vectors S&P/ASX MidCap ETF	
		Year ended		Year ended	
		30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
Total equity at the beginning of the year/period		26,530	22,937	33,558	673
Issue of redeemable participating units		7,545	1,160	51,025	37,608
Units issued upon reinvestment of distributions		129	131	17	-
Capital received on consolidation of units		-	-	-	1
Redemption of redeemable participating units		-	(1,101)	(2,774)	(6,496)
Comprehensive income for the year/period		1,820	4,866	7,665	2,518
Distributions	8	(841)	(1,463)	(1,631)	(746)
Total equity at the end of the year/period		35,183	26,530	87,860	33,558

Movement in units in issue are disclosed in note 7 to the financial statements.

The above Statements of changes in equity should be read in conjunction with the accompanying notes.

Statements of changes in equity (continued)

	VanEck Vectors Australian Resources ETF		VanEck Vectors Small Companies Masters ETF	
	Year ended		Year ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
Notes	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the year/period	25,852	3,370	55,974	40,412
Issue of redeemable participating units	58,575	23,081	11,506	12,813
Units issued upon reinvestment of distributions	21	-	18	12
Redemption of redeemable participating units	(2,417)	(982)	(7,201)	-
Comprehensive income for the year/period	15,175	784	11,253	4,396
Distributions	8 (1,152)	(401)	(2,261)	(1,659)
Total equity at the end of the year/period	96,054	<u>25,852</u>	69,289	<u>55,974</u>

Movement in units in issue are disclosed in note 7 to the financial statements.

The above Statements of changes in equity should be read in conjunction with the accompanying notes.

Statements of changes in equity (continued)

		VanEck Vectors Australian Equal Weight ETF	
		Year ended	
		30 June 2018	30 June 2017
Notes		\$'000	\$'000
	Total equity at the beginning of the year/period	263,179	128,155
	Issue of redeemable participating units	220,264	152,036
	Units issued upon reinvestment of distributions	406	97
	Redemption of redeemable participating units	-	(34,162)
	Comprehensive income for the year/period	47,480	23,112
	Distributions	(12,240)	(6,059)
	Total equity at the end of the year/period	519,089	263,179

Movement in units in issue are disclosed in note 7 to the financial statements.

The above Statements of changes in equity should be read in conjunction with the accompanying notes.

Statements of cash flows

	Notes	VanEck Vectors S&P/ASX Franked Dividend ETF	VanEck Vectors Australian Property ETF	Year ended	
		Year ended 30 June 2018 \$	Period from 27 April 2016 to 30 June 2017 \$	30 June 2018 \$'000	30 June 2017 \$'000
Cash flows from operating activities					
Proceeds from sale of financial instruments held at fair value through profit or loss		2,460,186	1,985,118	30,567	8,726
Purchase of financial instruments held at fair value through profit or loss		(2,453,424)	(5,983,398)	(81,203)	(15,572)
Dividends and distributions received		185,405	144,746	3,385	2,624
Interest paid		-	(1,173)	-	-
Other income received		-	2,896	-	-
Management fees paid		(13,509)	(12,150)	(281)	(192)
Payment of other expenses		(5,331)	(566)	(38)	(23)
Net cash inflow/(outflow) from operating activities	10(a)	<u>173,327</u>	<u>(3,864,527)</u>	<u>(47,570)</u>	<u>(4,437)</u>
Cash flows from financing activities					
Proceeds from applications by unitholders		7,960	3,957,797	49,954	8,556
Payments for redemptions by unitholders		-	-	-	(1,467)
Distributions paid		(189,838)	(115,217)	(3,825)	(2,821)
Net cash inflow/(outflow) from financing activities		<u>(181,878)</u>	<u>3,842,580</u>	<u>46,129</u>	<u>4,268</u>
Net increase/(decrease) in cash and cash equivalents		(8,551)	(21,947)	(1,441)	(169)
Cash and cash equivalents at the beginning of the year/period		<u>(21,947)</u>	-	<u>(1,149)</u>	<u>(980)</u>
Cash and cash equivalents at the end of the year/period	9	<u>(30,498)</u>	<u>(21,947)</u>	<u>(2,590)</u>	<u>(1,149)</u>

The above Statements of cash flows should be read in conjunction with the accompanying notes.

Statements of cash flows (continued)

	VanEck Vectors Australian Banks ETF		VanEck Vectors S&P/ASX MidCap ETF	
	Year ended		Year ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
Notes	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Proceeds from sale of financial instruments held at fair value through profit or loss	3,774	4,247	17,059	9,945
Purchase of financial instruments held at fair value through profit or loss	(11,518)	(4,559)	(62,592)	(41,654)
Dividends and distributions received	1,606	1,426	1,922	839
Interest paid	-	-	-	(4)
Capital received on consolidation of units	-	-	-	1
Management fees paid	(81)	(70)	(254)	(86)
Payment of other expenses	(13)	(11)	(16)	(5)
Net cash inflow/(outflow) from operating activities	(6,232)	1,033	(43,881)	(30,964)
10(a)				
Cash flows from financing activities				
Proceeds from applications by unitholders	7,545	1,160	48,192	37,608
Payments for redemptions by unitholders	-	(1,101)	(2,774)	(6,496)
Distributions paid	(1,414)	(1,211)	(1,733)	(31)
Net cash inflow/(outflow) from financing activities	6,131	(1,152)	43,685	31,081
Net increase/(decrease) in cash and cash equivalents				
	(101)	(119)	(196)	117
Cash and cash equivalents at the beginning of the year/period	(611)	(492)	118	1
Cash and cash equivalents at the end of the year/period	(712)	(611)	(78)	118
9				

The above Statements of cash flows should be read in conjunction with the accompanying notes.

Statements of cash flows (continued)

		VanEck Vectors Australian Resources ETF		VanEck Vectors Small Companies Masters ETF	
		Year ended		Year ended	
		30 June 2018	30 June 2017	30 June 2018	30 June 2017
	Notes	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Proceeds from sale of financial instruments held at fair value through profit or loss		12,733	5,692	34,566	17,637
Purchase of financial instruments held at fair value through profit or loss		(67,628)	(28,071)	(38,823)	(30,359)
Dividends and distributions received		1,242	447	2,374	1,833
Other income received		-	-	2	7
Management fees paid		(156)	(46)	(323)	(218)
Payment of other expenses		(14)	(5)	(23)	(17)
Net cash inflow/(outflow) from operating activities	10(a)	(53,823)	(21,983)	(2,227)	(11,117)
Cash flows from financing activities					
Proceeds from applications by unitholders		57,233	23,081	11,506	12,813
Payments for redemptions by unitholders		(2,417)	(982)	(7,201)	-
Distributions paid		(1,013)	(122)	(2,050)	(1,381)
Net cash inflow/(outflow) from financing activities		53,803	21,977	2,255	11,432
Net increase/(decrease) in cash and cash equivalents		(20)	(6)	28	315
Cash and cash equivalents at the beginning of the year/period		(13)	(7)	(193)	(508)
Cash and cash equivalents at the end of the year/period	9	(33)	(13)	(165)	(193)

The above Statements of cash flows should be read in conjunction with the accompanying notes.

Statements of cash flows (continued)

		VanEck Vectors Australian Equal Weight ETF	
		Year ended	
		30 June 2018	30 June 2017
		\$'000	\$'000
Notes			
	Cash flows from operating activities		
	Proceeds from sale of financial instruments held at fair value through profit or loss	150,445	70,263
	Purchase of financial instruments held at fair value through profit or loss	(380,386)	(183,510)
	Dividends and distributions received	14,007	6,072
	Management fees paid	(1,324)	(571)
	Payment of other expenses	(132)	(51)
	Net cash inflow/(outflow) from operating activities	<u>(217,390)</u>	<u>(107,797)</u>
10(a)			
	Cash flows from financing activities		
	Proceeds from applications by unitholders	226,910	145,390
	Payments for redemptions by unitholders	-	(34,162)
	Distributions paid	(10,832)	(3,941)
	Net cash inflow/(outflow) from financing activities	<u>216,078</u>	<u>107,287</u>
	Net increase/(decrease) in cash and cash equivalents	(1,312)	(510)
	Cash and cash equivalents at the beginning of the year/period	<u>(1,162)</u>	<u>(652)</u>
	Cash and cash equivalents at the end of the year/period	<u>(2,474)</u>	<u>(1,162)</u>
9			

The above Statements of cash flows should be read in conjunction with the accompanying notes.

Contents of the notes to the financial statements

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1 General information

These financial statements for the year ended 30 June 2018 cover the VanEck Vectors S&P/ASX Franked Dividend ETF, VanEck Vectors Australian Property ETF, VanEck Vectors Australian Banks ETF, VanEck Vectors S&P/ASX Midcap ETF, VanEck Vectors Australian Resources ETF, VanEck Vectors Small Companies Masters ETF, VanEck Vectors Australian Equal Weight ETF (the "Funds") as individual entities.

VanEck Vectors S&P/ASX Franked Dividend ETF was constituted on 16 March 2016.

VanEck Vectors Australian Property ETF was constituted on 5 August 2013.

VanEck Vectors Australian Banks ETF was constituted on 5 August 2013.

VanEck Vectors S&P/ASX MidCap ETF was constituted on 5 August 2013.

VanEck Vectors Australian Resources ETF was constituted on 5 August 2013.

VanEck Vectors Small Companies Masters ETF was constituted on 16 April 2015.

VanEck Vectors Australian Equal Weight ETF was constituted on 23 January 2014.

The Funds will terminate in accordance with the provisions of the Funds' Constitution.

The Responsible Entity of the Funds is VanEck Investments Limited (the "Responsible Entity"). The Responsible Entity's registered office is Aurora Place, Level 4, Suite 3, 88 Phillip Street, SYDNEY, NSW, AUSTRALIA, 2000.

These financial statements are presented in Australian dollars, which is the Funds' functional and presentation currency.

VanEck Vectors S&P/ASX Franked Dividend ETF invests in Australian listed equities in accordance with the product disclosure statement of the Fund and the Fund's Constitution.

VanEck Vectors Australian Property ETF invests in largest and most liquid Australian Real Estate Investment Trusts (A-REITs) securities including industrial, commercial, retail and residential property segments in accordance with the provisions of the product disclosure statement of the Fund and the Fund's Constitution.

VanEck Vectors Australian Banks ETF invests in largest and most liquid ASX-listed banks that generate revenues from the Australian banking sector in accordance with the product disclosure statement of the Fund and the Fund's Constitution.

VanEck Vectors S&P/ASX Midcap ETF invests in Australian listed equity securities and listed unit trusts in accordance with the provisions of the product disclosure statement of the Fund and the Fund's Constitution.

VanEck Vectors Australian Resources ETF invests in the largest and most liquid ASX-listed companies that generate revenues from the Australian resources sector in accordance with the provisions of the product disclosure statement of the Fund and the Fund's Constitution.

VanEck Vectors Small Companies Masters ETF invests in most liquid small-cap ASX-listed companies that generate revenues in Australia and did not omit their latest dividend payment in accordance with the provisions of the product disclosure statement of the Fund and the Fund's Constitution.

VanEck Vectors Australian Equal Weight ETF invests in largest and most liquid ASX-listed companies all equally weighted with diversification across both securities and sectors in accordance with the provisions of the product disclosure statement of the Fund and the Fund's Constitution.

On 5 May 2016, a new tax regime applying to Managed Investment Trusts ("MITs") was established under the *Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016*. The Attribution Managed Investment Trust ("AMIT") regime allows MITs that meet certain requirements to make an irrevocable choice to be an AMIT. In order to facilitate the Funds electing into the AMIT tax regime effective 1 July 2017, the Funds' Constitutions has been amended.

The financial statements were authorised for issue by the directors on 21 September 2018. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

The Custodian and Administrator of VanEck Australian Equity ETFs is State Street Australia Limited. The ultimate holding company of the Custodian is State Street Corporation (incorporated in the United States of America).

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied throughout the period presented, unless otherwise stated in the following text.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001 in Australia. The Funds are for-profit funds for the purpose of preparing the financial statements.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The Statements of financial position are presented on a liquidity basis.

Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets at fair value through profit or loss and equity attributable to unitholders.

The Funds manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within twelve months, however, an estimate of that amount cannot be determined as at reporting date.

In the case of equity attributable to unitholders, the units are redeemable on demand at the unitholders' option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within twelve months cannot be reliably determined.

(i) Compliance with International Financial Reporting Standards (IFRS)

The financial statements of the Funds also comply with IFRS as issued by the International Accounting Standards Board (IASB).

(b) Changes in accounting standards

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the period beginning 1 July 2017 that have a material impact on the Funds.

(c) Financial instruments

(i) Classification

The Funds' investments are categorised as at fair value through profit or loss. They comprise:

- Financial instruments designated at fair value through profit or loss upon initial recognition

These include financial assets and financial liabilities that are not held for trading purposes and which may be sold. These are investments in equity securities.

Financial instruments designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Funds' documented investment strategy. The Funds' policy is for the Responsible Entity to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

(ii) Recognition/derecognition

The Funds recognise financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognise changes in the fair value of the financial assets or financial liabilities from this date.

2 Summary of significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Recognition/derecognition (continued)

Investments are derecognised when the right to receive cash flows from the investments have expired or have been transferred and the Funds has transferred substantially all of the risks and rewards of ownership.

(iii) Measurement

Financial assets and liabilities held at fair value through profit or loss

At initial recognition, the Funds measure a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statements of comprehensive income.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Statements of comprehensive income within net gains/(losses) on financial instruments held at fair value through profit or loss in the period in which they arise. This also includes dividend expense on short sales of securities, which have been classified at fair value through profit or loss.

The fair value of financial assets and liabilities traded in active markets is subsequently based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The quoted market price used for financial assets and financial liabilities is the last traded price.

For further details on how the fair value of financial instruments are determined, please see note 4 to the financial statements.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statements of financial position where the Funds currently have a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

At the end of the reporting period, there are no financial assets or liabilities offset or which could be offset in the Statements of financial position.

(d) Redeemable participating units

Units are classified as equity. Notwithstanding the obligation of the Funds to redeem the units at the unitholder's option, the Responsible Entity considers the Units to meet the requirements for equity classification within AASB 132.16A and B. The Constitution states that the distributions are at the discretion of directors. The units can be put back to the Funds at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if unitholders exercised their right to redeem the units in the Funds.

(e) Capital management

The Responsible Entity manages its net assets attributable to unitholders as equity. The amount of the net assets attributable to unitholders can change significantly on a basis as the Funds are subject to daily applications and redemptions at the discretion of unitholders.

The Responsible Entity monitors the level of daily applications and redemptions relative to the liquid assets in the Funds.

In order to maintain or adjust the capital structure, the Responsible Entity may return capital to unitholders. The Funds are not subject to any externally imposed capital requirements.

2 Summary of significant accounting policies (continued)

(f) Cash and cash equivalents

For the purpose of presentation in the Statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are classified as liabilities in the Statements of financial position.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Funds' main income generating activity.

(g) Investment income

Interest income is recognised in the Statements of comprehensive income using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Funds estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense. The Funds currently incurs withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax in the Statements of comprehensive income.

(h) Expenses

All expenses are recognised in the Statements of comprehensive income on an accruals basis.

(i) Income tax

Under current legislation, the Funds are not subject to income tax as the income tax liability is attributed to unitholders.

The benefits of tax credits paid are passed on to unitholders.

The Funds currently incurs withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax in the Statements of comprehensive income.

(j) Distributions

In accordance with the Funds' Constitutions, the Funds usually pay a distribution on an annual basis. The distributions to unitholders are recognised in the Statements of changes in equity.

(k) Foreign currency translation

(i) Functional and presentation currency

Items included in the Funds financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Funds compete for funds and are regulated. The Australian dollar is also the Funds presentation currency.

2 Summary of significant accounting policies (continued)

(k) Foreign currency translation (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year/reporting period end exchange rates, of monetary assets and liabilities denominated in foreign currencies are recognised in the Statements of comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in the Statements of comprehensive income on a net basis within net gains/(losses) on financial instruments held at fair value through profit or loss.

(l) Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year end. Trades are recorded on trade date, and for equities, normally settled within three business days. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Funds will not be able to collect all amounts due from the relevant broker. Indicators that the amount due from brokers is impaired include significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation and default in payments.

(m) Receivables

Receivables may include amounts for dividends, trust distributions, interest and applications received for units in the Funds. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of the reporting period from the time of last payment. Amounts are generally received within 30 days of being recorded as receivables.

(n) Payables

Payables include liabilities and accrued expenses owed by the Funds which are unpaid as at the end of the reporting period.

The distribution amount payable to unitholders as at the end of the reporting period is recognised separately on the Statements of financial position as unitholders are presently entitled to the distributable income under the Funds' Constitution.

(o) Applications and redemptions

Application amounts can be paid by cash or in the form of a parcel of prescribed securities transferred to the Responsible Entity's custodian. The parcel of securities related to in-specie applications generally reflect the characteristics of the VanEck Australian Equity ETFs. Investors may purchase units by trading on the Australian Securities Exchange (ASX).

Unitholders can only redeem units if they are "Authorised Participants", as defined in the Funds' product disclosure statement. Units can be sold by trading on ASX.

Unit prices are determined by reference to the net assets of the Funds divided by the number of units on issue. For unit pricing purposes, net assets are determined using the last reported trade price for securities. These prices may differ from the market.

2 Summary of significant accounting policies (continued)

(p) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Funds by third parties such as management, administration and custodian services where applicable have been passed onto the Funds. The Funds qualify for Reduced Input Tax Credits (RITC) at a rate of at least 73%. Hence, fees for these services and any other expenses have been recognised in the Statements of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the Statements of financial position. Cash flows relating to GST are included in the Statements of cash flows on a gross basis.

(q) Use of estimates

The Funds may make estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Funds' financial instruments, quoted market prices are readily available.

For certain other financial instruments, including amounts due from/to brokers, accounts payable and accrued expenses, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

(r) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2018 reporting period and have not been early adopted by the Funds. The directors' assessment of the impact of these new standards (to the extent relevant to the Funds) and interpretations is set out below:

- (i) AASB 9 *Financial Instruments* (and applicable amendments), (effective date for annual periods beginning on or after 1 January 2018, with earlier application permitted)

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The standard is not applicable until 1 January 2018 but is available for early adoption. The directors do not expect this to have a significant impact on the recognition and measurement of the Funds' financial instruments as they are carried at fair value through profit or loss. The derecognition rules have not been changed from the previous requirements, and the Funds does not apply hedge accounting. AASB 9 introduces a new impairment model. However, as the Funds' investments are all held at fair value through profit or loss, the change in impairment rules will not materially impact the Funds.

- (ii) AASB 15 *Revenue from Contracts with Customers*, (effective date for annual periods beginning on or after 1 January 2018, with earlier application permitted)

AASB 15 will replace AASB 118 *Revenue* which covers contracts for goods and services and AASB 111 *Construction Contracts* which covers construction contracts. AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

The Funds' main source of income are interest, dividends and distributions and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As a consequence, the directors do not expect the adoption of the new revenue recognition rules to have a significant impact on the Funds' accounting policies or the amounts recognised in the financial statements.

There are no other standards that are not yet effective and that are expected to have a material impact on the Funds in the current or future reporting periods and on foreseeable future transactions.

2 Summary of significant accounting policies (continued)

(s) Rounding of amounts

The Funds are entities of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission (ASIC) relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest thousand dollars in accordance with that ASIC Corporations Instrument, unless otherwise indicated.

3 Financial risk management

The Funds' activities expose them to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Funds' overall risk management programme focuses on ensuring compliance with the Funds' PDS and Constitutions and seeks to maximise the returns derived for the level of risk to which the Funds are exposed. Financial risk management is carried out by the Responsible Entity.

The Funds use different methods to measure different types of risk to which it is exposed. These methods are explained below.

The table on page 32 shows the impact on net asset value of the Funds of a reasonably possible shift in the S&P/ASX Franked Dividend Index, MVIS Australia A-REITs Index, MVIS Australia Banks Index, S&P/ASX MidCap 50 Index, MVIS Australia Energy & Mining Index, MVIS Australia Small-Cap Dividend Payers Index, MVIS Australian Equal Weight Index, assessed as an increase of 10% and decrease of 10% (2017: +/-10%) in the S&P/ASX Franked Dividend Index, MVIS Australia A-REITs Index, MVIS Australia Banks Index, S&P/ASX MidCap 50 Index, MVIS Australia Energy & Mining Index, MVIS Australia Small-Cap Dividend Payers Index, MVIS Australian Equal Weight Index (with all other variables held constant).

(a) Market risk

(i) Price risk

The Funds are exposed to price risk on equity securities listed or quoted on recognised securities exchanges. Price risk arises from investments held by the Funds for which prices in the future are uncertain. Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates which are considered a component of price risk. The Index includes restrictions on the exposure to particular infrastructure sectors and subsectors. The Funds are diversified across approximately 150 different securities. The Responsible Entity reviews portfolio composition daily to ensure this requirement is adhered to.

The table at Note 3(b) summarises the sensitivities of the Funds' assets and liabilities to price risk. The analysis is based on the assumption that the markets in which the Funds invest move by +/-10%.

(ii) Foreign exchange risk

Foreign exchange risk arises as the value of monetary securities denominated in other currencies will fluctuate due to changes in exchange rates.

All assets are in Australian dollars and therefore not subject to foreign exchange risk.

(iii) Interest rate risk

Interest rate risk is the risk that interest rate movements will have a negative impact on investment value or returns. Interest rate risk is managed in accordance with the underlying investment strategy of the Funds.

The majority of the Funds' financial assets and liabilities are non-interest bearing. As a result, the Funds are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

3 Financial risk management (continued)

(b) Summarised sensitivity analysis

The following table summarises the sensitivity of the Funds' operating profit and equity and net assets attributable to unitholders to the various market risks. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical correlation of the Funds' investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Funds invests. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

VanEck Vectors S&P/ASX Franked Dividend ETF

	Price risk Impact on operating profit/Net assets attributable to unitholders	
	-10%	+10%
	\$	\$
30 June 2018	(390,159)	390,159
30 June 2017	(372,541)	372,541

VanEck Vectors Australian Property ETF

	Price risk Impact on operating profit/Net assets attributable to unitholders	
	-10%	+10%
	\$'000	\$'000
30 June 2018	(11,661)	11,661
30 June 2017	(5,867)	5,867

VanEck Vectors Australian Banks ETF

	Price risk Impact on operating profit/Net assets attributable to unitholders	
	-10%	+10%
	\$'000	\$'000
30 June 2018	(3,523)	3,523
30 June 2017	(2,659)	2,659

VanEck Vectors S&P/ASX MidCap ETF

	Price risk Impact on operating profit/Net assets attributable to unitholders	
	-10%	+10%
	\$'000	\$'000
30 June 2018	(8,845)	8,845
30 June 2017	(3,355)	3,355

3 Financial risk management (continued)

(b) Summarised sensitivity analysis (continued)

VanEck Vectors Australian Resources ETF

	Price risk	
	Impact on operating profit/Net assets attributable to unitholders	
	-10%	+10%
	\$'000	\$'000
30 June 2018	(9,650)	9,650
30 June 2017	(2,585)	2,585

VanEck Vectors Small Companies Masters ETF

	Price risk	
	Impact on operating profit/Net assets attributable to unitholders	
	-10%	+10%
	\$'000	\$'000
30 June 2018	(6,968)	6,968
30 June 2017	(5,598)	5,598

VanEck Vectors Australian Equal Weight ETF

	Price risk	
	Impact on operating profit/Net assets attributable to unitholders	
	-10%	+10%
	\$'000	\$'000
30 June 2018	(52,226)	52,226
30 June 2017	(26,327)	26,327

(c) Credit risk

Credit risk is the risk that a counterparty will fail to perform contractual obligations, either in whole or part. Credit risk primarily arises from investments in derivative financial instruments. Other credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions and amounts due from brokers. None of these assets are impaired nor past due but not impaired.

The maximum exposure to credit risk at the end of each reporting period is the carrying amount of the financial assets.

The clearing and depository operations of the Funds' security transactions are mainly concentrated with one counterparty namely State Street Australia Limited. At 30 June 2018, State Street Australia Limited had a credit rating of AA- (2017: A). As at 30 June 2018, substantially all cash and investments are held in custody by State Street Australia Limited.

(d) Liquidity risk

The Funds have no significant liquidity risk exposure as the redemptions of redeemable units by unitholders may be made through in-specie asset transfers and not payable wholly in the form of cash.

The Funds' listed securities are considered readily realisable, as they are listed on the Australian Securities Exchange.

3 Financial risk management (continued)

(d) Liquidity risk (continued)

The Funds may, from time to time, invest in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, the Funds may not be able to quickly liquidate its investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer or counterparty. No such investments were held at the end of the reporting period.

(i) Maturities of non-derivative financial liabilities

The table below analyses the Funds' non-derivative financial liabilities into relevant maturity groupings based on the remaining period to the earliest possible contractual maturity date at the year/reporting period end date. The amounts in the table are contractual undiscounted cash flows.

VanEck Vectors S&P/ASX Franked Dividend ETF

	Less than 1 month \$	1-6 months \$	6-12 months \$	Over 12 months \$	Total \$
As at 30 June 2018					
Bank overdraft	30,498	-	-	-	30,498
Payables	5,363	-	-	-	5,363
Distributions payable	4,847	-	-	-	4,847
Contractual cash flows (excluding net settled derivatives)	40,708	-	-	-	40,708
As at 30 June 2017					
Bank overdraft	24,233	-	-	-	24,233
Payables	6,322	-	-	-	6,322
Distributions payable	35,004	-	-	-	35,004
Contractual cash flows (excluding net settled derivatives)	65,559	-	-	-	65,559

3 Financial risk management (continued)

(d) Liquidity risk (continued)

VanEck Vectors Australian Property ETF

	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Over 12 months \$'000	Total \$'000
As at 30 June 2018					
Bank overdraft	2,625	-	-	-	2,625
Payables	39	-	-	-	39
Distributions payable	2,428	-	-	-	2,428
Contractual cash flows (excluding net settled derivatives)	5,092	-	-	-	5,092
As at 30 June 2017					
Bank overdraft	1,161	-	-	-	1,161
Payables	19	-	-	-	19
Distributions payable	1,759	-	-	-	1,759
Contractual cash flows (excluding net settled derivatives)	2,939	-	-	-	2,939

VanEck Vectors Australian Banks ETF

	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Over 12 months \$'000	Total \$'000
As at 30 June 2018					
Bank overdraft	712	-	-	-	712
Payables	16	-	-	-	16
Distributions payable	38	-	-	-	38
Contractual cash flows (excluding net settled derivatives)	766	-	-	-	766
As at 30 June 2017					
Bank overdraft	611	-	-	-	611
Payables	6	-	-	-	6
Distributions payable	740	-	-	-	740
Contractual cash flows (excluding net settled derivatives)	1,357	-	-	-	1,357

3 Financial risk management (continued)

(d) Liquidity risk (continued)

VanEck Vectors S&P/ASX MidCap ETF

	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Over 12 months \$'000	Total \$'000
As at 30 June 2018					
Bank overdraft	92	-	-	-	92
Due to brokers - payable for securities purchased	2,833	-	-	-	2,833
Payables	37	-	-	-	37
Distributions payable	627	-	-	-	627
Contractual cash flows (excluding net settled derivatives)	3,589	-	-	-	3,589
As at 30 June 2017					
Bank overdraft	43	-	-	-	43
Due to brokers - payable for securities purchased	151	-	-	-	151
Payables	13	-	-	-	13
Distributions payable	746	-	-	-	746
Contractual cash flows (excluding net settled derivatives)	953	-	-	-	953

VanEck Vectors Australian Resources ETF

	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Over 12 months \$'000	Total \$'000
As at 30 June 2018					
Bank overdraft	42	-	-	-	42
Due to brokers - payable for securities purchased	1,342	-	-	-	1,342
Payables	29	-	-	-	29
Distributions payable	432	-	-	-	432
Contractual cash flows (excluding net settled derivatives)	1,845	-	-	-	1,845
As at 30 June 2017					
Bank overdraft	15	-	-	-	15
Payables	8	-	-	-	8
Distributions payable	314	-	-	-	314
Contractual cash flows (excluding net settled derivatives)	337	-	-	-	337

3 Financial risk management (continued)

(d) Liquidity risk (continued)

VanEck Vectors Small Companies Masters ETF

	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Over 12 months \$'000	Total \$'000
As at 30 June 2018					
Bank overdraft	338	-	-	-	338
Due to brokers - payable for securities purchased	148	-	-	-	148
Payables	29	-	-	-	29
Distributions payable	1,042	-	-	-	1,042
Contractual cash flows (excluding net settled derivatives)	1,557	-	-	-	1,557
As at 30 June 2017					
Bank overdraft	236	-	-	-	236
Due to brokers - payable for securities purchased	25	-	-	-	25
Payables	24	-	-	-	24
Distributions payable	849	-	-	-	849
Contractual cash flows (excluding net settled derivatives)	1,134	-	-	-	1,134

VanEck Vectors Australian Equal Weight ETF

	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Over 12 months \$'000	Total \$'000
As at 30 June 2018					
Bank overdraft	2,562	-	-	-	2,562
Payables	186	-	-	-	186
Distributions payable	4,214	-	-	-	4,214
Contractual cash flows (excluding net settled derivatives)	6,962	-	-	-	6,962
As at 30 June 2017					
Bank overdraft	1,227	-	-	-	1,227
Due to brokers - payable for securities purchased	6,647	-	-	-	6,647
Payables	90	-	-	-	90
Distributions payable	3,212	-	-	-	3,212
Contractual cash flows (excluding net settled derivatives)	11,176	-	-	-	11,176

4 Fair value measurement

The Funds measure and recognise the following assets and liabilities at fair value on a recurring basis:

- Financial assets / liabilities designated at fair value through profit or loss (see note 6)

The Funds have no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 requires disclosure of fair value measurements by level of the following fair value hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3)

(i) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The Funds value their investments in accordance with the accounting policies set out in note 2 to the financial statements.

The quoted market price used for financial assets held by the Funds are the last traded price; the appropriate quoted market price for financial liabilities is the last traded price. When the Funds hold derivatives with offsetting market risks, they use mid-market prices as a basis for establishing fair values for the offsetting risk positions and apply this last traded price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

(ii) Valuation techniques used to derive level 2 and level 3 fair value

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Funds would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Funds hold. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

4 Fair value measurement (continued)

Recognised fair value measurements

The table below presents the Funds' financial assets measured at fair value according to the fair value hierarchy as at 30 June 2018 and 30 June 2017.

VanEck Vectors S&P/ASX Franked Dividend ETF

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
As at 30 June 2018				
Financial assets				
Financial assets designated at fair value through profit or loss:				
Equity securities	<u>3,901,590</u>	-	-	<u>3,901,590</u>
Total	<u>3,901,590</u>	-	-	<u>3,901,590</u>

As at 30 June 2017

Financial assets

Financial assets designated at fair value through profit or loss:

Equity securities	<u>3,725,410</u>	-	-	<u>3,725,410</u>
Total	<u>3,725,410</u>	-	-	<u>3,725,410</u>

VanEck Vectors Australian Property ETF

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2018				
Financial assets				
Financial assets designated at fair value through profit or loss:				
Unit trusts	<u>116,611</u>	-	-	<u>116,611</u>
Total	<u>116,611</u>	-	-	<u>116,611</u>

As at 30 June 2017

Financial assets

Financial assets designated at fair value through profit or loss:

Unit trusts	<u>58,670</u>	-	-	<u>58,670</u>
Total	<u>58,670</u>	-	-	<u>58,670</u>

4 Fair value measurement (continued)

Recognised fair value measurements (continued)

VanEck Vectors Australian Banks ETF

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2018				
Financial assets				
Financial assets designated at fair value through profit or loss:				
Equity securities	<u>35,225</u>	-	-	<u>35,225</u>
Total	<u>35,225</u>	-	-	<u>35,225</u>

As at 30 June 2017

Financial assets

Financial assets designated at fair value through profit or loss:

Equity securities	<u>26,586</u>	-	-	<u>26,586</u>
Total	<u>26,586</u>	-	-	<u>26,586</u>

VanEck Vectors S&P/ASX MidCap ETF

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2018				
Financial assets				
Financial assets designated at fair value through profit or loss:				
Equity securities	<u>86,136</u>	-	-	<u>86,136</u>
Unit trusts	<u>2,313</u>	-	-	<u>2,313</u>
Total	<u>88,449</u>	-	-	<u>88,449</u>

As at 30 June 2017

Financial assets

Financial assets designated at fair value through profit or loss:

Equity securities	<u>32,279</u>	-	-	<u>32,279</u>
Unit trusts	<u>1,275</u>	-	-	<u>1,275</u>
Total	<u>33,554</u>	-	-	<u>33,554</u>

4 Fair value measurement (continued)

Recognised fair value measurements (continued)

VanEck Vectors Australian Resources ETF

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2018				
Financial assets				
Financial assets designated at fair value through profit or loss:				
Equity securities	<u>96,501</u>	-	-	<u>96,501</u>
Total	<u>96,501</u>	-	-	<u>96,501</u>

As at 30 June 2017

Financial assets

Financial assets designated at fair value through profit or loss:

Equity securities	<u>25,852</u>	-	-	<u>25,852</u>
Total	<u>25,852</u>	-	-	<u>25,852</u>

VanEck Vectors Small Companies Masters ETF

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2018				
Financial assets				
Financial assets designated at fair value through profit or loss:				
Equity securities	<u>60,490</u>	-	-	<u>60,490</u>
Unit trusts	<u>9,194</u>	-	-	<u>9,194</u>
Total	<u>69,684</u>	-	-	<u>69,684</u>

As at 30 June 2017

Financial assets

Financial assets designated at fair value through profit or loss:

Equity securities	<u>48,597</u>	-	-	<u>48,597</u>
Unit trusts	<u>7,380</u>	-	-	<u>7,380</u>
Total	<u>55,977</u>	-	-	<u>55,977</u>

4 Fair value measurement (continued)

Recognised fair value measurements (continued)

VanEck Vectors Australian Equal Weight ETF

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2018				
Financial assets				
Financial assets designated at fair value through profit or loss:				
Equity securities	474,156	-	-	474,156
Unit trusts	48,102	-	-	48,102
Total	522,258	-	-	522,258
As at 30 June 2017				
Financial assets				
Financial assets designated at fair value through profit or loss:				
Equity securities	223,213	-	-	223,213
Unit trusts	40,056	-	-	40,056
Total	263,269	-	-	263,269

The Funds' policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(i) Transfers between levels

There were no transfers between the levels in the fair value hierarchy for the year ended 30 June 2018 and year ended 30 June 2017. There were also no changes made to any of the valuation techniques applied as at 30 June 2018.

(ii) Fair value measurements using significant unobservable inputs (level 3)

The Funds did not hold any financial instruments with fair value measurements using significant unobservable inputs during the year ended 30 June 2018 and 30 June 2017.

(iii) Fair values of other financial instruments

The Funds did not hold any financial instruments which were not measured at fair value in the Statements of financial position. Due to their short-term nature, the carrying amounts of receivables and payables are assumed to approximate fair value.

5 Net gains/(losses) on financial instruments held at fair value through profit or loss

Net gains/(losses) recognised in relation to financial instruments held at fair value through profit or loss:

	VanEck Vectors S&P/ASX Franked Dividend ETF		VanEck Vectors Australian Property ETF	
	Year ended 30 June 2018 \$	Period from 27 April 2016 to 30 June 2017 \$	Year ended 30 June 2018 \$'000	Year ended 30 June 2017 \$'000
Financial assets				
Net gain/(loss) on financial assets designated at fair value	149,005	(238,933)	7,425	(4,708)
Net gains/(losses) on financial assets held at fair value through profit or loss	149,005	(238,933)	7,425	(4,708)
Total net gains/(losses) on financial instruments held at fair value through profit or loss	149,005	(238,933)	7,425	(4,708)

	VanEck Vectors Australian Banks ETF		VanEck Vectors S&P/ASX MidCap ETF	
	Year ended 30 June 2018 \$'000	Year ended 30 June 2017 \$'000	Year ended 30 June 2018 \$'000	Year ended 30 June 2017 \$'000
Financial assets				
Net gain/(loss) on financial assets designated at fair value	210	3,408	5,932	1,739
Net gains/(losses) on financial assets held at fair value through profit or loss	210	3,408	5,932	1,739
Total net gains/(losses) on financial instruments held at fair value through profit or loss	210	3,408	5,932	1,739

	VanEck Vectors Australian Resources ETF		VanEck Vectors Small Companies Masters ETF	
	Year ended 30 June 2018 \$'000	Year ended 30 June 2017 \$'000	Year ended 30 June 2018 \$'000	Year ended 30 June 2017 \$'000
Financial assets				
Net gain/(loss) on financial assets designated at fair value	14,093	388	9,134	2,754
Net gains/(losses) on financial assets held at fair value through profit or loss	14,093	388	9,134	2,754
Total net gains/(losses) on financial instruments held at fair value through profit or loss	14,093	388	9,134	2,754

**5 Net gains/(losses) on financial instruments held at fair value through profit or loss
(continued)**

	VanEck Vectors Australian Equal Weight ETF	
	Year ended	
	30 June 2018	30 June 2017
	\$'000	\$'000
Financial assets		
Net gain/(loss) on financial assets designated at fair value	<u>33,663</u>	<u>17,164</u>
Net gains/(losses) on financial assets held at fair value through profit or loss	<u>33,663</u>	<u>17,164</u>
Total net gains/(losses) on financial instruments held at fair value through profit or loss	<u>33,663</u>	<u>17,164</u>

6 Financial assets held at fair value through profit or loss

	VanEck Vectors S&P/ASX Franked Dividend ETF		VanEck Vectors Australian Property ETF	
	As at		As at	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	\$	\$	\$'000	\$'000
Designated at fair value through profit or loss				
Equity securities	3,901,590	3,725,410	-	-
Unit trusts	-	-	116,611	58,670
Total designated at fair value through profit or loss	<u>3,901,590</u>	<u>3,725,410</u>	<u>116,611</u>	<u>58,670</u>
Total financial assets held at fair value through profit or loss	<u>3,901,590</u>	<u>3,725,410</u>	<u>116,611</u>	<u>58,670</u>

	VanEck Vectors Australian Banks ETF		VanEck Vectors S&P/ASX MidCap ETF	
	As at		As at	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	\$'000	\$'000	\$'000	\$'000
Designated at fair value through profit or loss				
Equity securities	35,225	26,586	86,136	32,279
Unit trusts	-	-	2,313	1,275
Total designated at fair value through profit or loss	<u>35,225</u>	<u>26,586</u>	<u>88,449</u>	<u>33,554</u>
Total financial assets held at fair value through profit or loss	<u>35,225</u>	<u>26,586</u>	<u>88,449</u>	<u>33,554</u>

6 Financial assets held at fair value through profit or loss (continued)

	VanEck Vectors Australian Resources ETF		VanEck Vectors Small Companies Masters ETF	
	As at		As at	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	\$'000	\$'000	\$'000	\$'000
Designated at fair value through profit or loss				
Equity securities	96,501	25,852	60,490	48,597
Unit trusts	-	-	9,194	7,380
Total designated at fair value through profit or loss	<u>96,501</u>	<u>25,852</u>	<u>69,684</u>	<u>55,977</u>
Total financial assets held at fair value through profit or loss	<u>96,501</u>	<u>25,852</u>	<u>69,684</u>	<u>55,977</u>

	VanEck Vectors Australian Equal Weight ETF	
	As at	
	30 June 2018	30 June 2017
	\$'000	\$'000
Designated at fair value through profit or loss		
Equity securities	474,156	223,213
Unit trusts	48,102	40,056
Total designated at fair value through profit or loss	<u>522,258</u>	<u>263,269</u>
Total financial assets held at fair value through profit or loss	<u>522,258</u>	<u>263,269</u>

7 Units in issue

Movements in the number of units during the year were as follows:

	VanEck Vectors S&P/ASX Franked Dividend ETF		VanEck Vectors Australian Property ETF	
	Year ended 30 June 2018	Period from 27 April 2016 to 30 June 2017	30 June 2018	30 June 2017
		No.		
	No.	No.	No.'000	No.'000
Opening balance	160,214	-	3,053	2,701
Applications	346	160,000	2,589	420
Redemptions	-	-	-	(70)
Units issued upon reinvestment of distributions	1,003	214	4	2
Closing balance	<u>161,563</u>	<u>160,214</u>	<u>5,646</u>	<u>3,053</u>

7 Units in issue (continued)

	VanEck Vectors Australian Banks ETF		VanEck Vectors S&P/ASX MidCap ETF	
	Year ended		Year ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	No.'000	No.'000	No.'000	No.'000
Opening balance	987	982	1,332	95
Applications	280	40	1,900	3,200
Redemptions	-	(40)	(100)	(100)
Reduction due to consolidation*	-	-	-	(1,863)
Units issued upon reinvestment of distributions	5	5	1	-
Closing balance	<u>1,272</u>	<u>987</u>	<u>3,133</u>	<u>1,332</u>

	VanEck Vectors Australian Resources ETF		VanEck Vectors Small Companies Masters ETF	
	Year ended		Year ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	No.'000	No.'000	No.'000	No.'000
Opening balance	1,299	199	3,121	2,400
Applications	2,400	1,250	601	720
Redemptions	(100)	(150)	(360)	-
Units issued upon reinvestment of distributions	1	-	1	1
Closing balance	<u>3,600</u>	<u>1,299</u>	<u>3,363</u>	<u>3,121</u>

	VanEck Vectors Australian Equal Weight ETF	
	Year ended	
	30 June 2018	30 June 2017
	No.'000	No.'000
Opening balance	10,208	5,552
Applications	8,100	5,351
Redemptions	-	(700)
Units issued upon reinvestment of distributions	15	5
Closing balance	<u>18,323</u>	<u>10,208</u>

As stipulated within the Funds' Constitutions, a unit confers an equal undivided, vested, and inalienable interest in the assets as a whole, subject to the liabilities. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Funds.

*On 30 September 2016, a 3-for-1 unit consolidation was announced with an effective date of 17 October 2016 for VanEck Vectors S&P/ASX MidCap ETF. Rounding up of fractional shares resulted in an increase of equity of \$936.

7 Units in issue (continued)

Capital risk management

The amount of equity attributable to unitholders can change significantly on a daily basis as the Funds are subject to daily applications and redemptions at the discretion of unitholders.

Daily applications and redemptions are reviewed relative to the liquidity of the Funds' underlying assets on a daily basis by the Responsible Entity. Under the terms of the Funds' Constitutions, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unitholders.

8 Distributions to unitholders

The distributions during the year were as follows:

VanEck Vectors S&P/ASX Franked Dividend ETF

	Year ended 30 June 2018 \$	Year ended 30 June 2018 CPU	Period from 27 April 2016 to 30 June 2017 \$	Period from 27 April 2016 to 30 June 2017 CPU
Distributions paid	178,109	110.89	120,439	84.45
Distributions payable	<u>4,847</u>	<u>3.00</u>	<u>35,004</u>	<u>21.85</u>
Total distributions	<u>182,956</u>	<u>113.89</u>	<u>155,443</u>	<u>106.30</u>

VanEck Vectors Australian Property ETF

	Year ended			
	30 June 2018 \$'000	30 June 2018 CPU	30 June 2017 \$'000	30 June 2017 CPU
Distributions paid	2,137	58.00	1,401	51.84
Distributions payable	<u>2,428</u>	<u>43.00</u>	<u>1,759</u>	<u>57.63</u>
Total distributions	<u>4,565</u>	<u>101.00</u>	<u>3,160</u>	<u>109.47</u>

VanEck Vectors Australian Banks ETF

	Year ended			
	30 June 2018 \$'000	30 June 2018 CPU	30 June 2017 \$'000	30 June 2017 CPU
Distributions paid	803	78.00	723	73.46
Distributions payable	<u>38</u>	<u>3.00</u>	<u>740</u>	<u>74.90</u>
Total distributions	<u>841</u>	<u>81.00</u>	<u>1,463</u>	<u>148.36</u>

8 Distributions to unitholders (continued)

VanEck Vectors S&P/ASX MidCap ETF

	Year ended			
	30 June 2018 \$'000	30 June 2018 CPU	30 June 2017 \$'000	30 June 2017 CPU
Distributions paid	1,004	45.00	-	-
Distributions payable	<u>627</u>	<u>20.00</u>	746	<u>56.01</u>
Total distributions	<u>1,631</u>	<u>65.00</u>	<u>746</u>	<u>56.01</u>

VanEck Vectors Australian Resources ETF

	Year ended			
	30 June 2018 \$'000	30 June 2018 CPU	30 June 2017 \$'000	30 June 2017 CPU
Distributions paid	720	48.00	87	17.34
Distributions payable	<u>432</u>	<u>12.00</u>	314	<u>24.20</u>
Total distributions	<u>1,152</u>	<u>60.00</u>	<u>401</u>	<u>41.54</u>

VanEck Vectors Small Companies Masters ETF

	Year ended			
	30 June 2018 \$'000	30 June 2018 CPU	30 June 2017 \$'000	30 June 2017 CPU
Distributions paid	1,219	35.00	810	32.13
Distributions payable	<u>1,042</u>	<u>31.00</u>	849	<u>27.21</u>
Total distributions	<u>2,261</u>	<u>66.00</u>	<u>1,659</u>	<u>59.34</u>

VanEck Vectors Australian Equal Weight ETF

	Year ended			
	30 June 2018 \$'000	30 June 2018 CPU	30 June 2017 \$'000	30 June 2017 CPU
Distributions paid	8,026	54.00	2,847	39.79
Distributions payable	<u>4,214</u>	<u>23.00</u>	3,212	<u>31.46</u>
Total distributions	<u>12,240</u>	<u>77.00</u>	<u>6,059</u>	<u>71.25</u>

9 Cash and cash equivalents

	VanEck Vectors S&P/ASX Franked Dividend ETF	
	As at	
	30 June 2018	30 June 2017
	\$	\$
Cash at bank	-	2,286
Total cash and cash equivalents	-	2,286

Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the Statement of cash flow as follows:

	VanEck Vectors S&P/ASX Franked Dividend ETF	
	As at	
	30 June 2018	30 June 2017
	\$	\$
Balances as above	-	2,286
Bank overdrafts*	(30,498)	(24,233)
Balance per statement of cash flows	(30,498)	(21,947)

*The bank overdrafts are Westpac overdraft accounts used for dividend equitisation. In 2018, interest was charged between 3.24% and 3.57% p.a. (2017: 3.26% to 3.52%p.a.)

	VanEck Vectors Australian Property ETF	
	As at	
	30 June 2018	30 June 2017
	\$'000	\$'000
Cash at bank	35	12
Total cash and cash equivalents	35	12

9 Cash and cash equivalents (continued)

Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the Statement of cash flow as follows:

		VanEck Vectors Australian Property ETF	
		As at	
		30 June 2018	30 June 2017
		\$'000	\$'000
Balances as above		35	12
Bank overdrafts*		<u>(2,625)</u>	<u>(1,161)</u>
Balance per statement of cash flows		<u>(2,590)</u>	<u>(1,149)</u>

*The bank overdrafts are Westpac overdraft accounts used for dividend equitisation. In 2018, interest was charged between 3.24% and 3.57% p.a. (2017: 3.26% to 3.52%p.a.)

		VanEck Vectors Australian Banks ETF	
		As at	
		30 June 2018	30 June 2017
		\$'000	\$'000
Total cash and cash equivalents		<u>-</u>	<u>-</u>

Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the Statement of cash flow as follows:

		VanEck Vectors Australian Banks ETF	
		As at	
		30 June 2018	30 June 2017
		\$'000	\$'000
Balances as above		-	-
Bank overdrafts*		<u>(712)</u>	<u>(611)</u>
Balance per statement of cash flows		<u>(712)</u>	<u>(611)</u>

*The bank overdrafts are Westpac overdraft accounts used for dividend equitisation. In 2018, interest was charged between 3.24% and 3.57% p.a. (2017: 3.26% to 3.52%p.a.)

9 Cash and cash equivalents (continued)

Reconciliation to cash at the end of the year (continued)

	VanEck Vectors S&P/ASX MidCap ETF	
	As at	
	30 June 2018	30 June 2017
	\$'000	\$'000
Cash at bank	14	161
Total cash and cash equivalents	14	161

Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the Statement of cash flow as follows:

	VanEck Vectors S&P/ASX MidCap ETF	
	As at	
	30 June 2018	30 June 2017
	\$'000	\$'000
Balances as above	14	161
Bank overdrafts*	(92)	(43)
Balance per statement of cash flows	(78)	118

*The bank overdrafts are Westpac overdraft accounts used for dividend equitisation. In 2018, interest was charged between 3.24% and 3.57% p.a. (2017: 3.26% to 3.52%p.a.)

	VanEck Vectors Australian Resources ETF	
	As at	
	30 June 2018	30 June 2017
	\$'000	\$'000
Cash at bank	9	2
Total cash and cash equivalents	9	2

9 Cash and cash equivalents (continued)

Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the Statement of cash flow as follows:

	VanEck Vectors Australian Resources ETF	
	As at	
	30 June 2018	30 June 2017
	\$'000	\$'000
Balances as above	9	2
Bank overdrafts*	<u>(42)</u>	<u>(15)</u>
Balance per statement of cash flows	<u>(33)</u>	<u>(13)</u>

*The bank overdrafts are Westpac overdraft accounts used for dividend equitisation. In 2018, interest was charged between 3.24% and 3.57% p.a. (2017: 3.26% to 3.52%p.a.)

	VanEck Vectors Small Companies Masters ETF	
	As at	
	30 June 2018	30 June 2017
	\$'000	\$'000
Cash at bank	<u>173</u>	<u>43</u>
Total cash and cash equivalents	<u>173</u>	<u>43</u>

Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the Statement of cash flow as follows:

	VanEck Vectors Small Companies Masters ETF	
	As at	
	30 June 2018	30 June 2017
	\$'000	\$'000
Balances as above	173	43
Bank overdrafts*	<u>(338)</u>	<u>(236)</u>
Balance per statement of cash flows	<u>(165)</u>	<u>(193)</u>

*The bank overdrafts are Westpac overdraft accounts used for dividend equitisation. In 2018, interest was charged between 3.24% and 3.57% p.a. (2017: 3.26% to 3.52%p.a.)

9 Cash and cash equivalents (continued)

Reconciliation to cash at the end of the year (continued)

	VanEck Vectors Australian Equal Weight ETF	
	As at	
	30 June 2018	30 June 2017
	\$'000	\$'000
Cash at bank	<u>88</u>	<u>65</u>
Total cash and cash equivalents	<u>88</u>	<u>65</u>

Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the Statement of cash flow as follows:

	VanEck Vectors Australian Equal Weight ETF	
	As at	
	30 June 2018	30 June 2017
	\$'000	\$'000
Balances as above	88	65
Bank overdrafts*	<u>(2,562)</u>	<u>(1,227)</u>
Balance per statement of cash flows	<u>(2,474)</u>	<u>(1,162)</u>

*The bank overdrafts are Westpac overdraft accounts used for dividend equitisation. In 2018, interest was charged between 3.24% and 3.57% p.a. (2017: 3.26% to 3.52%p.a.)

10 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

	VanEck Vectors S&P/ASX Franked Dividend ETF		VanEck Vectors Australian Property ETF	
	Year ended 30 June 2018 \$	Period from 27 April 2016 to 30 June 2017 \$	Year ended 30 June 2018 \$'000	Year ended 30 June 2017 \$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities				
Profit/(loss) for the year/period	323,236	(84,060)	11,977	(2,141)
Proceeds from sale of financial instruments held at fair value through profit or loss	2,460,186	1,985,118	30,567	8,726
Purchase of financial instruments held at fair value through profit or loss	(2,453,424)	(5,983,398)	(81,203)	(15,572)
Net (gains)/losses on financial instruments held at fair value through profit or loss	(149,005)	238,933	(7,425)	4,708
Net change in receivables	(6,707)	(27,442)	(1,506)	(162)
Net change in payables	(959)	6,322	20	4
Net cash inflow/(outflow) from operating activities	173,327	(3,864,527)	(47,570)	(4,437)
(b) Non-cash financing activities				
During the year/period, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	23,275	5,222	71	36

10 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities (continued)

	VanEck Vectors Australian Banks ETF		VanEck Vectors S&P/ASX MidCap ETF	
	Year ended		Year ended	
	30 June 2018 \$'000	30 June 2017 \$'000	30 June 2018 \$'000	30 June 2017 \$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities				
Profit/(loss) for the year/period	1,820	4,866	7,665	2,518
Proceeds from sale of financial instruments held at fair value through profit or loss	3,774	4,247	17,059	9,945
Purchase of financial instruments held at fair value through profit or loss	(11,518)	(4,559)	(62,592)	(41,654)
Net (gains)/losses on financial instruments held at fair value through profit or loss	(210)	(3,408)	(5,932)	(1,739)
Net change in receivables	(108)	(115)	(105)	(48)
Net change in payables	10	2	24	13
Capital received on consolidation of units	-	-	-	1
Net cash inflow/(outflow) from operating activities	(6,232)	1,033	(43,881)	(30,964)
(b) Non-cash financing activities				
During the year/period, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	129	131	17	-

10 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities (continued)

	VanEck Vectors Australian Resources ETF		VanEck Vectors Small Companies Masters ETF	
	Year ended		Year ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	\$'000	\$'000	\$'000	\$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities				
Profit/(loss) for the year/period	15,175	784	11,253	4,396
Proceeds from sale of financial instruments held at fair value through profit or loss	12,733	5,692	34,566	17,637
Purchase of financial instruments held at fair value through profit or loss	(67,628)	(28,071)	(38,823)	(30,359)
Net (gains)/losses on financial instruments held at fair value through profit or loss	(14,093)	(388)	(9,134)	(2,754)
Net change in receivables	(31)	(4)	(94)	(46)
Net change in payables	21	4	5	9
Net cash inflow/(outflow) from operating activities	(53,823)	(21,983)	(2,227)	(11,117)

(b) Non-cash financing activities

During the year/period, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan

	21	-	18	12
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VanEck Vectors Australian Equal Weight ETF

	Year ended	
	30 June 2018	30 June 2017
	\$'000	\$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities		
Profit/(loss) for the year/period	47,480	23,112
Proceeds from sale of financial instruments held at fair value through profit or loss	150,445	70,263
Purchase of financial instruments held at fair value through profit or loss	(380,386)	(183,510)
Net (gains)/losses on financial instruments held at fair value through profit or loss	(33,663)	(17,164)
Net change in receivables	(1,362)	(555)
Net change in payables	96	57
Net cash inflow/(outflow) from operating activities	(217,390)	(107,797)

(b) Non-cash financing activities

During the year/period, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan

	406	97
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11 Remuneration of auditors

During the year, the following fees were paid or payable for services provided by the auditor of the Funds:

	VanEck Vectors S&P/ASX Franked Dividend ETF		VanEck Vectors Australian Property ETF	
	Year ended 30 June 2018	Period from 27 April 2016 to 30 June 2017	Year ended 30 June 2018	Year ended 30 June 2017
	\$	\$	\$	\$
Ernst & Young				
<i>Audit services</i>				
Audit and review of financial statements	19,158	12,360	19,158	18,540
Other assurance services	-	2,289	-	2,289
Total remuneration of Ernst & Young	19,158	14,649	19,158	20,829
	VanEck Vectors Australian Banks ETF		VanEck Vectors S&P/ASX MidCap ETF	
	Year ended 30 June 2018	Year ended 30 June 2017	Year ended 30 June 2018	Year ended 30 June 2017
	\$	\$	\$	\$
Ernst & Young				
<i>Audit services</i>				
Audit and review of financial statements	19,158	18,540	19,158	18,540
Other assurance services	-	2,289	-	2,289
Total remuneration of Ernst & Young	19,158	20,829	19,158	20,829
	VanEck Vectors Australian Resources ETF		VanEck Vectors Small Companies Masters ETF	
	Year ended 30 June 2018	Year ended 30 June 2017	Year ended 30 June 2018	Year ended 30 June 2017
	\$	\$	\$	\$
Ernst & Young				
<i>Audit services</i>				
Audit and review of financial statements	19,158	18,540	19,158	18,540
Other assurance services	-	2,289	-	2,289
Total remuneration of Ernst & Young	19,158	20,829	19,158	20,829

11 Remuneration of auditors (continued)

	VanEck Vectors Australian Equal Weight ETF	
	Year ended	
	30 June 2018	30 June 2017
	\$	\$
Ernst & Young		
<i>Audit services</i>		
Audit and review of financial statements	19,158	18,540
Other assurance services	-	2,289
Total remuneration of Ernst & Young	19,158	20,829

During the year 2018 and 2017, auditor's remuneration was paid by VanEck Australia Pty Ltd., the direct parent of the Responsible Entity.

12 Receivables

	VanEck Vectors S&P/ASX Franked Dividend ETF		VanEck Vectors Australian Property ETF	
	As at		As at	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	\$	\$	\$'000	\$'000
Dividend and distributions receivable	30,063	25,123	2,683	1,182
Other receivables	4,086	2,319	8	3
Total Receivables	34,149	27,442	2,691	1,185

	VanEck Vectors Australian Banks ETF		VanEck Vectors S&P/ASX MidCap ETF	
	As at		As at	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	\$'000	\$'000	\$'000	\$'000
Dividend and distributions receivable	715	615	144	45
Applications receivable	-	-	2,833	-
Other receivables	9	1	9	3
Total Receivables	724	616	2,986	48

12 Receivables (continued)

	VanEck Vectors Australian Resources ETF		VanEck Vectors Small Companies Masters ETF	
	As at		As at	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	\$'000	\$'000	\$'000	\$'000
Dividend and distributions receivable	42	15	332	236
Applications receivable	1,342	-	-	-
Other receivables	5	1	2	4
Total Receivables	1,389	16	334	240

	VanEck Vectors Australian Equal Weight ETF	
	As at	
	30 June 2018	30 June 2017
	\$'000	\$'000
Dividend and distributions receivable	2,567	1,229
Applications receivable	-	6,646
Other receivables	47	23
Total Receivables	2,614	7,898

13 Payables

	VanEck Vectors S&P/ASX Franked Dividend ETF		VanEck Vectors Australian Property ETF	
	As at		As at	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	\$	\$	\$'000	\$'000
Management fees payable	1,098	1,107	34	19
Other payables	4,265	5,215	5	-
Total Payables	5,363	6,322	39	19

13 Payables (continued)

	VanEck Vectors Australian Banks ETF		VanEck Vectors S&P/ASX MidCap ETF	
	As at		As at	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	\$'000	\$'000	\$'000	\$'000
Management fees payable	7	6	31	12
Other payables	9	-	6	1
Total Payables	16	6	37	13

	VanEck Vectors Australian Resources ETF		VanEck Vectors Small Companies Masters ETF	
	As at		As at	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	\$'000	\$'000	\$'000	\$'000
Management fees payable	27	8	28	24
Other payables	2	-	1	-
Total Payables	29	8	29	24

	VanEck Vectors Australian Equal Weight ETF	
	As at	
	30 June 2018	30 June 2017
	\$'000	\$'000
Management fees payable	146	74
Other payables	40	16
Total Payables	186	90

14 Related party transactions

Responsible Entity

The Responsible Entity of the Funds is VanEck Investments Limited, a wholly owned subsidiary of VanEck Australia Pty Ltd. The direct parent of the Responsible Entity is a wholly owned subsidiary of Van Eck Associates Corporation, incorporated in the United States of America. The registered office of the Responsible Entity and the Funds is Aurora Place, Level 4, Suite 3, 88 Philip Street, SYDNEY, NSW, AUSTRALIA, 2000.

Key management personnel

Key management personnel includes persons who were directors of VanEck Investments Limited at any time during the year as follows:

14 Related party transactions (continued)

Key management personnel (continued)

Jan van Eck
Bruce Smith
Arian Neiron
Michael Brown
Jonathan Simon

(a) Other key management personnel

There were no other key management personnel who had authority and responsibility for planning, directing and controlling activities of the Funds, directly or indirectly during the financial year.

(b) Key management personnel unitholdings

The key management personnel of the VanEck Investments Limited held units in the Funds as follows:

VanEck Vectors Australian Property ETF 30 June 2018

Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
Arian Neiron	50	50	1,050	0.001	-	-	51

30 June 2017

Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
Arian Neiron	50	50	-	0.002	-	-	55

VanEck Vectors S&P/ASX MidCap ETF 30 June 2018

Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
Arian Neiron	217	217	6,129	0.007	-	-	141

14 Related party transactions (continued)

(b) Key management personnel unitholdings (continued)

30 June 2017

Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	3-for-1 Stock Consolidation (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
Arian Neiron	450	217	-	0.02	200	(433)	-	122

VanEck Vectors Australian Resources ETF 30 June 2018

Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
Arian Neiron	130	130	3,484	0.004	-	-	78

30 June 2017

Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
Arian Neiron	130	130	-	0.010	-	-	54

VanEck Vectors Small Companies Masters ETF 30 June 2018

Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
Arian Neiron	1,060	1,060	22,169	0.03	-	-	700

30 June 2017

Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
Arian Neiron	1,060	1,060	-	0.03	-	-	629

14 Related party transactions (continued)

(b) Key management personnel unitholdings (continued)

VanEck Vectors Australian Equal Weight ETF 30 June 2018

Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
Arian Neiron	2,300	2,300	65,688	0.01	-	-	1,771
Michael Brown	-	-	-	-	7,100	7,100	-

30 June 2017

Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
Arian Neiron	2,300	2,300	-	0.020	-	-	1,639

Key management personnel compensation

Key management personnel are paid by VanEck Australia Pty Ltd, the parent company of VanEck Investments Limited. Payments made from the Funds to VanEck Investments Limited do not include any amounts attributable to the compensation of key management personnel.

Key management personnel loan disclosures

The Funds have not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period (2017: Nil).

Other transactions within the Funds

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Funds during the reporting year and there were no material contracts involving directors' interests existing at year end (2017: Nil).

Related party transactions

VanEck Investments Limited receives all management fees that have been paid by the Funds during the year.

The Responsible Entity is entitled to receive an annual management fee of 0.35% p.a. of the total assets of the VanEck Vectors S&P/ASX Franked Dividend ETF under the terms of the Constitution (2017: 0.35% p.a.). The fees are paid on a quarterly basis.

The Responsible Entity is entitled to receive an annual management fee of 0.35% p.a. of the total assets of the VanEck Vectors Australian Property ETF under the terms of the Constitution (2017: 0.35% p.a.). The fees are paid on a quarterly basis.

14 Related party transactions (continued)

Related party transactions (continued)

The Responsible Entity is entitled to receive an annual management fee of 0.28% p.a. of the total assets of the VanEck Vectors Australian Banks ETF under the terms of the Constitution (2017: 0.28% p.a.). The fees are paid on a quarterly basis.

The Responsible Entity is entitled to receive an annual management fee of 0.45% p.a. of the total assets of the VanEck Vectors S&p/ASX MidCap ETF under the terms of the Constitution (2017: 0.49% p.a.). The fees are paid on a quarterly basis.

The Responsible Entity is entitled to receive an annual management fee of 0.35% p.a. of the total assets of the VanEck Vectors Australian Resources ETF under the terms of the Constitution (2017: 0.35% p.a.). The fees are paid on a quarterly basis.

The Responsible Entity is entitled to receive an annual management fee of 0.49% p.a. of the total assets of the VanEck Vectors Small Companies Masters ETF under the terms of the Constitution (2017: 0.49% p.a.). The fees are paid on a quarterly basis.

The Responsible Entity is entitled to receive an annual management fee of 0.35% p.a. of the total assets of the VanEck Vectors Australian Equal Weight ETF under the terms of the Constitution (2017: 0.35% p.a.). The fees are paid on a quarterly basis.

All expenses in connection with the preparation of accounting records and maintenance of the unit register are fully borne by the Responsible Entity.

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable/receivable at year end between the Funds and the Responsible Entity were as follows:

	VanEck Vectors S&P/ASX Franked Dividend ETF		VanEck Vectors Australian Property ETF	
	Year ended 30 June 2018	Period from 27 April 2016 to 30 June 2017	30 June 2018	30 June 2017
	\$	\$	\$	\$
Responsible Entity's fees paid and payable for the year/period	13,500	13,257	295,599	196,007
Aggregate amounts payable to the Responsible Entity at the end of the year/period	1,098	1,107	33,543	18,821
	VanEck Vectors Australian Banks ETF		VanEck Vectors S&P/ASX MidCap ETF	
	Year ended 30 June 2018	30 June 2017	Year ended 30 June 2018	30 June 2017
	\$	\$	\$	\$
Responsible Entity's fees paid and payable for the year/period	81,672	72,480	272,582	98,264
Aggregate amounts payable to the Responsible Entity at the end of the year/period	7,509	6,410	31,149	11,481

14 Related party transactions (continued)

Related party transactions (continued)

	VanEck Vectors Australian Resources ETF		VanEck Vectors Small Companies Masters ETF	
	Year ended		Year ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	\$	\$	\$	\$
Responsible Entity's fees paid and payable for the year/period	174,500	50,073	326,744	228,357
Aggregate amounts payable to the Responsible Entity at the end of the year/period	26,876	7,766	28,142	23,468

	VanEck Vectors Australian Equal Weight ETF	
	Year ended	
	30 June 2018	30 June 2017
	\$	\$
Responsible Entity's fees paid and payable for the year/period	1,396,005	612,819
Aggregate amounts payable to the Responsible Entity at the end of the year/period	146,191	73,667

(c) Related party unit holdings

Parties related to the Funds held no units in the Funds as at 30 June 2018 (2017: Nil).

Investments

The Funds did not hold any investments in VanEck Investments Limited or its related parties during the year (2017: Nil).

15 Events occurring after the reporting period

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Funds disclosed in the Statements of financial position as at 30 June 2018 or on the results and cash flows of the Funds for the year ended on that date.

16 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2018 and 30 June 2017.

Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 8 to 65 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
 - (ii) giving a true and fair view of the Funds' financial position as at 30 June 2018 and of its performance for the reporting period ended on that date; and
- (b) there are reasonable grounds to believe that the Funds will be able to pay its debts as and when they become due and payable.
- (c) Note 2(a) confirms that the financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors.



Arian Neiron
Director

Sydney
21 September 2018

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of the following VanEck Australian Equity ETFs (the "Funds")

- VanEck Vectors S&P/ASX Franked Dividend ETF (FDIV)
- VanEck Vectors Australian Property ETF (MVA)
- VanEck Vectors Australian Banks ETF (MVB)
- VanEck Vectors S&P/ASX MidCap ETF (MVE)
- VanEck Vectors Australian Resources ETF (MVR)
- VanEck Vectors Small Companies Masters ETF (MVS)
- VanEck Vectors Australian Equal Weight ETF (MVW)

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of the above Funds, which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration of VanEck Investments Limited, the Responsible Entity of the Fund.

In our opinion:

the accompanying financial report of the Funds is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Funds' financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Funds in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia; and we have fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Investment Existence and Valuation

Why significant

As exchange traded funds, the Funds have significant investment portfolios consisting primarily of listed equities and listed unit trusts. As at 30 June 2018, the value of these financial assets, as set out in Notes 4 and 6 of the financial report were as follows:

Fund	Value of investments and cash	Investments and cash as a % of Total Assets held by Fund
FDIV	\$3,901,590	99%
MVA	\$116,610,856	96%
MVB	\$35,224,752	98%
MVE	\$88,448,604	97%
MVR	\$96,501,143	99%
MVS	\$69,683,906	98%
MVW	\$522,258,544	99%

As detailed in the Funds' accounting policy, as described in Note 2 of the financial report, these financial assets are recognised at fair value through profit or loss in accordance with Australian Accounting Standards.

How our audit addressed the key audit matter

We assessed the effectiveness of the key controls relating to the recognition and valuation of investments.

We obtained and considered the assurance report on the controls of the Funds' administrator and custodian, in relation to the Fund Administration Services and Custody Services it provided for the year ended 30 June 2018 and considered the auditor's qualifications, competence, objectivity and the results of their procedures.

We agreed all investment holdings, including cash accounts, to the custodian's stock reconciliation report at 30 June 2018.

We assessed the fair value of all positions in the portfolio held at 30 June 2018. For listed securities, the values were agreed to independently sourced market prices.

We assessed the adequacy of the disclosures in Note 6 of the financial report.

Pricing and other market drivers can have a significant impact on the value of these financial assets and the financial report. Accordingly, valuation of the investment portfolio was considered a key audit matter.

2. Management Fees

Why significant

Management fees paid to the responsible entity, VanEck Investments Limited, are the most significant expense of the Funds.

The Funds' accounting policy for Management fees is described in Note 2 of the financial report. All expenses are recognised on an accruals basis.

As at 30 June 2018, management fees were:

Fund	Management Fees	Management Fees as a % of Total Expenses incurred
FDIV	\$13,500	84%
MVA	\$295,599	89%
MVB	\$81,672	85%
MVE	\$272,582	93%
MVR	\$174,500	94%
MVS	\$326,744	93%
MVW	\$1,396,005	91%

Accordingly, this was considered a key audit matter. The disclosure of these amounts are included in Note 14 of the financial report.

How our audit addressed the key audit matter

We performed a recalculation of management fees in accordance with contractual arrangements including agreeing the contract rate to the calculation.

We assessed the adequacy of the disclosures in Notes 2 and 14 of the financial report.

Information Other than the Financial Statements and Auditor's Report Thereon

The directors of VanEck Investments Limited as Responsible Entity of the Funds are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibilities for the Financial Report

The Directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Fund or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting in the preparation of the financial report. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial report about the material uncertainty or, if such disclosures are inadequate, to

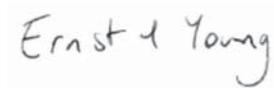
modify the opinion on the financial report. However, future events or conditions may cause an entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the Directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Ernst & Young



Rohit Khanna
Engagement Partner

Sydney
21 September 2018