

VanEck Australian Equity ETFs

Financial report

For the year ended 30 June 2019

This financial report covers the following VanEck Australian Equity ETFs:

VanEck Vectors MSCI Australian Sustainable Equity ETF (formerly 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 2019

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These financial statements cover the VanEck Vectors MSCI Australian Sustainable Equity ETF (formerly 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 MSCI Australian Sustainable Equity ETF (formerly 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 (collectively the "Funds" and individually the "Fund"), present their report together with the financial statements of the Funds for the year ended 30 June 2019.

Funds information

The Funds are Australian registered managed investment schemes.

The Responsible Entity's registered office is located at Aurora Place, Level 4, Suite 3, 88 Phillip Street, Sydney, NSW, Australia, 2000.

Principal activities

The Funds traded on the Australian Securities Exchange ("ASX") as exchange traded funds.

Until 24 June 2019, VanEck Vectors S&P/ASX Franked Dividend ETF invested in Australian listed equities that have paid out fully franked dividends in the past two years in accordance with the product disclosure statement ("PDS") of the Fund and the Fund's Constitution. On 25 June 2019 the Fund was renamed to VanEck Vectors MSCI Australian Sustainable Equity ETF and as of that date invests in a diversified portfolio of selected sustainable ASX-listed equities.

VanEck Vectors Australian Property ETF invests in the 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 Fund's Constitution and PDS.

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

VanEck Vectors S&P/ASX MidCap ETF invests in Australian listed equity securities and listed unit trusts to capture the performance of the market capitalisation ranking of 51-100 MidCap ASX-listed companies in accordance with the provisions of the Fund's Constitution and PDS.

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 Fund's Constitution and PDS.

VanEck Vectors Small Companies Masters ETF invests in the 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 Fund's Constitution and PDS.

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

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, except for VanEck Vectors MSCI Australian Sustainable Equity ETF (see above for more details).

Directors' report (continued)

Directors

The following persons held office as directors of the Responsible Entity during the year and up to the date of this report:

Jan van Eck
Bruce Smith
Arian Neiron
Michael Brown
Jonathan Simon

Review and results of operations

The Funds continued to invest in accordance with the Funds' PDS and the provisions of the Funds' Constitutions.

Until 24 June 2019 the VanEck Vectors MSCI Australian Sustainable Equity ETF (formerly VanEck Vectors S&P/ASX Franked Dividend ETF) generally invested in the securities that were constituents of the S&P/ASX Franked Dividend Index and aimed to track the performance of the Index (with net dividends reinvested) in Australian dollars, before taking into account fees, expenses and tax. From 25 June 2019 the Fund ceased tracking that index and now tracks the MSCI Australia IMI Select SRI Screened Index.

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 Resources 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 Australia 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.

Directors' report (continued)

Review and results of operations (continued)

Results

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

	VanEck Vectors MSCI Australian Sustainable Equity ETF (formerly VanEck Vectors S&P/ASX Franked Dividend ETF)		VanEck Vectors Australian Property ETF	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000
Operating profit/(loss) attributable to unitholders	<u>1,245</u>	<u>323</u>	<u>40,076</u>	<u>11,977</u>
Distribution to unitholders	<u>859</u>	<u>183</u>	<u>7,778</u>	<u>4,565</u>
Distribution (cents per unit - CPU)	<u>156.00</u>	<u>113.89</u>	<u>100.00</u>	<u>101.00</u>
	VanEck Vectors Australian Banks ETF		VanEck Vectors S&P/ASX MidCap ETF	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000
Operating profit/(loss) attributable to unitholders	<u>3,658</u>	<u>1,820</u>	<u>3,206</u>	<u>7,665</u>
Distribution to unitholders	<u>2,209</u>	<u>841</u>	<u>3,568</u>	<u>1,631</u>
Distribution (cents per unit - CPU)	<u>146.00</u>	<u>81.00</u>	<u>96.00</u>	<u>65.00</u>
	VanEck Vectors Australian Resources ETF		VanEck Vectors Small Companies Masters ETF	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000
Operating profit/(loss) attributable to unitholders	<u>5,523</u>	<u>15,175</u>	<u>1,294</u>	<u>11,253</u>
Distribution to unitholders	<u>1,697</u>	<u>1,152</u>	<u>2,287</u>	<u>2,261</u>
Distribution (cents per unit - CPU)	<u>84.00</u>	<u>60.00</u>	<u>78.00</u>	<u>66.00</u>

Directors' report (continued)

Review and results of operations (continued)

	VanEck Vectors Australian Equal Weight ETF	
	Year ended	
	30 June 2019	30 June 2018
	\$'000	\$'000
Operating profit/(loss) attributable to unitholders	<u>75,995</u>	<u>47,480</u>
Distribution to unitholders	<u>29,024</u>	<u>12,240</u>
Distribution (cents per unit - CPU)	<u>112.00</u>	<u>77.00</u>

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2019 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 Funds' PDS 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 an underlying 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 the Responsible Entity or the auditors of the Funds. So long as the officers of the Responsible Entity 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.

Directors' report (continued)

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.

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
25 September 2019

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 MSCI Australian Sustainable Equity ETF (GRNV) (formerly 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)

As lead auditor for the audit of the Funds above for the financial year ended 30 June 2019, 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

Ernst & Young



Rohit Khanna
Partner
Sydney
25 September 2019

Statements of comprehensive income

	Notes	VanEck Vectors MSCI Australian Sustainable Equity ETF (formerly VanEck Vectors S&P/ASX Franked Dividend ETF)		VanEck Vectors Australian Property ETF	
		Year ended		Year ended	
		30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000
Investment income					
Dividend and distribution income		571	190	8,925	4,886
Net gains/(losses) on financial instruments at fair value through profit or loss	5	<u>699</u>	<u>149</u>	<u>31,792</u>	<u>7,425</u>
Total investment income/(loss)		<u>1,270</u>	<u>339</u>	<u>40,717</u>	<u>12,311</u>
Expenses					
Management fees	14	23	14	560	296
Transaction costs		-	-	15	8
Other expenses		<u>2</u>	<u>2</u>	<u>66</u>	<u>30</u>
Total operating expenses		<u>25</u>	<u>16</u>	<u>641</u>	<u>334</u>
Profit/(loss) for the year		<u>1,245</u>	<u>323</u>	<u>40,076</u>	<u>11,977</u>
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		<u>1,245</u>	<u>323</u>	<u>40,076</u>	<u>11,977</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 Banks ETF		VanEck Vectors S&P/ASX MidCap ETF	
		Year ended		Year ended	
		30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000
Investment income					
Dividend and distribution income		2,542	1,706	3,709	2,026
Net gains/(losses) on financial instruments at fair value through profit or loss	5	<u>1,249</u>	<u>210</u>	<u>(11)</u>	<u>5,932</u>
Total investment income/(loss)		<u>3,791</u>	<u>1,916</u>	<u>3,698</u>	<u>7,958</u>
Expenses					
Management fees	14	113	82	437	273
Transaction costs		2	2	14	6
Dividend withholding tax		-	-	19	5
Other expenses		<u>18</u>	<u>12</u>	<u>22</u>	<u>9</u>
Total operating expenses		<u>133</u>	<u>96</u>	<u>492</u>	<u>293</u>
Profit/(loss) for the year		<u>3,658</u>	<u>1,820</u>	<u>3,206</u>	<u>7,665</u>
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		<u>3,658</u>	<u>1,820</u>	<u>3,206</u>	<u>7,665</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 2019	30 June 2018	30 June 2019	30 June 2018
		\$'000	\$'000	\$'000	\$'000
Investment income					
Dividend and distribution income		2,772	1,269	2,355	2,471
Net gains/(losses) on financial instruments at fair value through profit or loss	5	2,974	14,093	(759)	9,134
Other operating income		-	-	22	-
Total investment income/(loss)		5,746	15,362	1,618	11,605
Expenses					
Management fees	14	197	175	294	327
Transaction costs		5	4	8	7
Dividend withholding tax		-	-	2	1
Other expenses		21	8	20	17
Total operating expenses		223	187	324	352
Profit/(loss) for the year		5,523	15,175	1,294	11,253
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		5,523	15,175	1,294	11,253

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 2019	30 June 2018
		\$'000	\$'000
	Notes		
Investment income			
Interest income		2	1
Dividend and distribution income		29,050	15,345
Net gains/(losses) on financial instruments at fair value through profit or loss	5	<u>49,482</u>	<u>33,663</u>
Total investment income/(loss)		<u>78,534</u>	<u>49,009</u>
Expenses			
Management fees	14	2,312	1,396
Transaction costs		51	48
Other expenses		<u>176</u>	<u>85</u>
Total operating expenses		<u>2,539</u>	<u>1,529</u>
Profit/(loss) for the year		<u>75,995</u>	<u>47,480</u>
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>75,995</u>	<u>47,480</u>

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

Statements of financial position

	Notes	VanEck Vectors MSCI Australian Sustainable Equity ETF (formerly VanEck Vectors S&P/ASX Franked Dividend ETF)		VanEck Vectors Australian Property ETF	
		As at		As at	
		30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000
Assets					
Cash and cash equivalents	9	184	-	81	35
Due from brokers - receivable for securities sold		534	-	4,001	1,850
Receivables	12	238	34	6,592	2,691
Financial assets at fair value through profit or loss	6	<u>35,667</u>	<u>3,902</u>	<u>231,583</u>	<u>116,611</u>
Total assets		<u>36,623</u>	<u>3,936</u>	<u>242,257</u>	<u>121,187</u>
Liabilities					
Bank overdraft	9	233	30	4,658	2,625
Due to broker - payable for securities purchased		172	-	1,800	-
Payables	13	9	5	66	39
Distributions payable	8	<u>614</u>	<u>5</u>	<u>4,274</u>	<u>2,428</u>
Total liabilities		<u>1,028</u>	<u>40</u>	<u>10,798</u>	<u>5,092</u>
Equity		<u>35,595</u>	<u>3,895</u>	<u>231,459</u>	<u>116,095</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 2019	30 June 2018	30 June 2019	30 June 2018
		\$'000	\$'000	\$'000	\$'000
Assets					
Cash and cash equivalents	9	20	-	13	14
Due from brokers - receivable for securities sold		209	-	1,500	-
Receivables	12	755	724	146	2,986
Financial assets at fair value through profit or loss	6	<u>47,335</u>	<u>35,225</u>	<u>106,987</u>	<u>88,449</u>
Total assets		<u>48,319</u>	<u>35,949</u>	<u>108,646</u>	<u>91,449</u>
Liabilities					
Bank overdraft	9	745	712	117	92
Due to broker - payable for securities purchased		-	-	-	2,833
Payables	13	21	16	41	37
Distributions payable	8	<u>218</u>	<u>38</u>	<u>1,534</u>	<u>627</u>
Total liabilities		<u>984</u>	<u>766</u>	<u>1,692</u>	<u>3,589</u>
Equity		<u>47,335</u>	<u>35,183</u>	<u>106,954</u>	<u>87,860</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 Resources ETF		VanEck Vectors Small Companies Masters ETF	
		As at		As at	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
		\$'000	\$'000	\$'000	\$'000
Assets					
Cash and cash equivalents	9	18	9	33	173
Due from brokers - receivable for securities sold		684	-	1,313	655
Receivables	12	31	1,389	281	334
Financial assets at fair value through profit or loss	6	<u>60,184</u>	<u>96,501</u>	<u>58,520</u>	<u>69,684</u>
Total assets		<u>60,917</u>	<u>97,899</u>	<u>60,147</u>	<u>70,846</u>
Liabilities					
Bank overdraft	9	25	42	278	338
Due to broker - payable for securities purchased		-	1,342	-	148
Payables	13	17	29	24	29
Distributions payable	8	<u>697</u>	<u>432</u>	<u>1,356</u>	<u>1,042</u>
Total liabilities		<u>739</u>	<u>1,845</u>	<u>1,658</u>	<u>1,557</u>
Equity		<u>60,178</u>	<u>96,054</u>	<u>58,489</u>	<u>69,289</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 Equal Weight ETF	
		As at	
		30 June 2019	30 June 2018
		\$'000	\$'000
Assets			
Cash and cash equivalents	9	250	88
Due from brokers - receivable for securities sold		15,314	1,091
Receivables	12	19,002	2,614
Financial assets at fair value through profit or loss	6	<u>865,238</u>	<u>522,258</u>
Total assets		<u>899,804</u>	<u>526,051</u>
Liabilities			
Bank overdraft	9	3,450	2,562
Due to broker - payable for securities purchased		15,498	-
Payables	13	263	186
Distributions payable	8	<u>16,044</u>	<u>4,214</u>
Total liabilities		<u>35,255</u>	<u>6,962</u>
Equity		<u>864,549</u>	<u>519,089</u>

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

Statements of changes in equity

	Notes	VanEck Vectors MSCI Australian Sustainable Equity ETF (formerly VanEck Vectors S&P/ASX Franked Dividend ETF)		VanEck Vectors Australian Property ETF	
		Year ended		Year ended	
		30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000
Total equity at the beginning of the year		3,895	3,724	116,095	58,658
Issue of redeemable participating units		31,265	8	82,963	49,954
Units issued upon reinvestment of distributions		49	23	103	71
Comprehensive income for the year		1,245	323	40,076	11,977
Distributions	8	(859)	(183)	(7,778)	(4,565)
Total equity at the end of the year		35,595	3,895	231,459	116,095

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 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000
Total equity at the beginning of the year		35,183	26,530	87,860	33,558
Issue of redeemable participating units		10,590	7,545	19,413	51,025
Units issued upon reinvestment of distributions		113	129	43	17
Redemption of redeemable participating units		-	-	-	(2,774)
Comprehensive income for the year		3,658	1,820	3,206	7,665
Distributions	8	(2,209)	(841)	(3,568)	(1,631)
Total equity at the end of the year		47,335	35,183	106,954	87,860

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 Resources ETF		VanEck Vectors Small Companies Masters ETF	
		Year ended		Year ended	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
		\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the year		96,054	25,852	69,289	55,974
Issue of redeemable participating units		9,323	58,575	-	11,506
Units issued upon reinvestment of distributions		30	21	34	18
Redemption of redeemable participating units		(49,055)	(2,417)	(9,841)	(7,201)
Comprehensive income for the year		5,523	15,175	1,294	11,253
Distributions	8	(1,697)	(1,152)	(2,287)	(2,261)
Total equity at the end of the year		60,178	96,054	58,489	69,289

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 Equal Weight ETF	
		Year ended	
		30 June 2019	30 June 2018
		\$'000	\$'000
Total equity at the beginning of the year		519,089	263,179
Issue of redeemable participating units		297,779	220,264
Units issued upon reinvestment of distributions		710	406
Comprehensive income for the year		75,995	47,480
Distributions	8	(29,024)	(12,240)
Total equity at the end of the year		864,549	519,089

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 MSCI Australian Sustainable Equity ETF (formerly VanEck Vectors S&P/ASX Franked Dividend ETF)		VanEck Vectors Australian Property ETF	
		Year ended		Year ended	
		30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000
Cash flows from operating activities					
Proceeds from sale of financial instruments at fair value through profit or loss		8,304	2,460	51,289	30,567
Purchase of financial instruments at fair value through profit or loss		(39,733)	(2,453)	(134,819)	(81,203)
Dividends and distributions received		368	185	6,825	3,385
Management fees paid		(20)	(14)	(530)	(281)
Payment of other expenses		(2)	(5)	(86)	(38)
Net cash inflow/(outflow) from operating activities	10(a)	<u>(31,083)</u>	<u>173</u>	<u>(77,321)</u>	<u>(47,570)</u>
Cash flows from financing activities					
Proceeds from applications by unitholders		31,265	8	81,163	49,954
Distributions paid		(201)	(190)	(5,829)	(3,825)
Net cash inflow/(outflow) from financing activities		<u>31,064</u>	<u>(182)</u>	<u>75,334</u>	<u>46,129</u>
Net increase/(decrease) in cash and cash equivalents		(19)	(9)	(1,987)	(1,441)
Cash and cash equivalents at the beginning of the year		<u>(30)</u>	<u>(22)</u>	<u>(2,590)</u>	<u>(1,149)</u>
Cash and cash equivalents at the end of the year	9	<u>(49)</u>	<u>(30)</u>	<u>(4,577)</u>	<u>(2,590)</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 2019	30 June 2018	30 June 2019	30 June 2018
	Notes	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Proceeds from sale of financial instruments at fair value through profit or loss		3,960	3,774	16,440	17,059
Purchase of financial instruments at fair value through profit or loss		(15,030)	(11,518)	(39,322)	(62,592)
Dividends and distributions received		2,512	1,606	3,703	1,922
Management fees paid		(109)	(81)	(430)	(254)
Payment of other expenses		(20)	(13)	(45)	(16)
Net cash inflow/(outflow) from operating activities	10(a)	<u>(8,687)</u>	<u>(6,232)</u>	<u>(19,654)</u>	<u>(43,881)</u>
Cash flows from financing activities					
Proceeds from applications by unitholders		10,590	7,545	22,246	48,192
Payments for redemptions by unitholders		-	-	-	(2,774)
Distributions paid		(1,916)	(1,414)	(2,618)	(1,733)
Net cash inflow/(outflow) from financing activities		<u>8,674</u>	<u>6,131</u>	<u>19,628</u>	<u>43,685</u>
Net increase/(decrease) in cash and cash equivalents		(13)	(101)	(26)	(196)
Cash and cash equivalents at the beginning of the year		<u>(712)</u>	<u>(611)</u>	<u>(78)</u>	<u>118</u>
Cash and cash equivalents at the end of the year	9	<u>(725)</u>	<u>(712)</u>	<u>(104)</u>	<u>(78)</u>

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

Statements of cash flows (continued)

	Notes	VanEck Vectors Australian Resources ETF		VanEck Vectors Small Companies Masters ETF	
		Year ended		Year ended	
		30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000
Cash flows from operating activities					
Proceeds from sale of financial instruments at fair value through profit or loss		58,915	12,733	38,572	34,566
Purchase of financial instruments at fair value through profit or loss		(21,650)	(67,628)	(28,973)	(38,823)
Dividends and distributions received		2,789	1,242	2,406	2,374
Other income received		-	-	22	2
Management fees paid		(208)	(156)	(299)	(323)
Payment of other expenses		(28)	(14)	(28)	(23)
Net cash inflow/(outflow) from operating activities	10(a)	<u>39,818</u>	<u>(53,823)</u>	<u>11,700</u>	<u>(2,227)</u>
Cash flows from financing activities					
Proceeds from applications by unitholders		10,665	57,233	-	11,506
Payments for redemptions by unitholders		(49,055)	(2,417)	(9,841)	(7,201)
Distributions paid		(1,402)	(1,013)	(1,939)	(2,050)
Net cash inflow/(outflow) from financing activities		<u>(39,792)</u>	<u>53,803</u>	<u>(11,780)</u>	<u>2,255</u>
Net increase/(decrease) in cash and cash equivalents		26	(20)	(80)	28
Cash and cash equivalents at the beginning of the year		<u>(33)</u>	<u>(13)</u>	<u>(165)</u>	<u>(193)</u>
Cash and cash equivalents at the end of the year	9	<u>(7)</u>	<u>(33)</u>	<u>(245)</u>	<u>(165)</u>

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 2019	30 June 2018
		\$'000	\$'000
	Notes		
Cash flows from operating activities			
Proceeds from sale of financial instruments at fair value through profit or loss		170,564	150,445
Purchase of financial instruments at fair value through profit or loss		(462,787)	(380,386)
Dividends and distributions received		28,162	14,007
Management fees paid		(2,221)	(1,324)
Payment of other expenses		(240)	(132)
Net cash inflow/(outflow) from operating activities	10(a)	<u>(266,522)</u>	<u>(217,390)</u>
Cash flows from financing activities			
Proceeds from applications by unitholders		282,280	226,910
Distributions paid		<u>(16,484)</u>	<u>(10,832)</u>
Net cash inflow/(outflow) from financing activities		<u>265,796</u>	<u>216,078</u>
Net increase/(decrease) in cash and cash equivalents		(726)	(1,312)
Cash and cash equivalents at the beginning of the year		<u>(2,474)</u>	<u>(1,162)</u>
Cash and cash equivalents at the end of the year	9	<u>(3,200)</u>	<u>(2,474)</u>

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

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1 General information

These financial statements for the year ended 30 June 2019 cover the VanEck Vectors MSCI Australian Sustainable Equity ETF (formerly 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 MSCI Australian Sustainable Equity ETF was constituted on 16 March 2016 and began trading on ASX on 2 May 2016.

VanEck Vectors Australian Property ETF was constituted on 5 August 2013 and began trading on ASX on 16 October 2013.

VanEck Vectors Australian Banks ETF was constituted on 5 August 2013 and began trading on ASX on 16 October 2013.

VanEck Vectors S&P/ASX MidCap ETF was constituted on 5 August 2013 and began trading on ASX on 16 October 2013.

VanEck Vectors Australian Resources ETF was constituted on 5 August 2013 and began trading on ASX on 16 October 2013.

VanEck Vectors Small Companies Masters ETF was constituted on 16 April 2015 and began trading on ASX on 28 May 2015.

VanEck Vectors Australian Equal Weight ETF was constituted on 23 January 2014 and began trading on ASX on 6 March 2014.

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

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.

The financial statements were authorised for issue by the directors on 25 September 2019. 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 "Custodian"). 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 manage 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.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

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

The Funds apply for the first time, AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers*. The nature and effects of adoption of the new standards are disclosed below.

(c) AASB 9 *Financial Instruments*

AASB 9 *Financial Instruments* became effective for financial years commencing on or after 1 January 2018. AASB 9 replaces AASB 139 *Financial Instruments: Recognition and Measurement*, including the following three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting. The adoption of the standard does not have a significant impact on the recognition, classification and measurement of the Funds' financial instruments as they are carried at fair value through profit or loss. On adoption of AASB 9, the equity securities, listed unit trusts and derivatives are mandatorily classified as fair value through profit or loss. The derecognition rules have not changed from the previous requirements, and the Funds do not apply hedge accounting. AASB 9 introduces a new impairment model. However, the change in impairment rules does not impact the financial assets that continue to all be accounted for at fair value through profit or loss. The Funds' cash and cash equivalents, receivables and due from brokers continue to be classified and measured at amortised cost. The impact of expected credit losses on financial assets measured at amortised cost is immaterial.

(i) Classification and measurement

Equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income.

The Funds classify their investments based on their business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Funds' portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Funds' documented investment strategy. The Responsible Entity evaluates the information about these financial assets on a fair value basis together with other related financial information.

For equity securities, the contractual cash flows of these instruments do not represent solely payments of principal and interest. Consequently, these investments are measured at fair value through profit or loss.

The Funds hold equity securities and unit trusts which had previously been designated at fair value through profit or loss. On adoption of AASB 9 these securities are mandatorily classified as fair value through profit or loss.

For other receivables and payables, including amounts due to/from brokers, these balances are classified at amortised cost as they are deemed to be held in a business model with the objective to collect contractual cash flows through to maturity, and whose terms meet the SPPI criterion by virtue of the fact that payments pertain to only principal and/or simple interest and have a maturity of less than 12 months.

Measurement

At initial recognition, the Funds measure financial assets and financial liabilities at fair value, plus in the case of a financial asset or liability not measured at fair value through profit or loss, transaction costs.

2 Summary of significant accounting policies (continued)

(c) AASB 9 Financial Instruments (continued)

(i) Classification and measurement (continued)

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 at fair value through profit or loss' in the period in which they arise.

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

Subsequent to initial recognition, financial assets and liabilities measured at amortised cost will use the effective interest rate method and are presented net of provisions for impairment.

(ii) Impairment

AASB 9 also introduces a new expected credit loss (ECL) approach to recognise and measure impairment, which replaces AASB 139's incurred loss approach. AASB 9 requires the Funds to record an allowance for ECLs for all financial assets not held at fair value through profit or loss.

The ECL approach is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Funds expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For receivables, due from brokers, margin accounts and applications receivable, the Funds have applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Funds have established a provision matrix that is based on the Funds' historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Funds consider a financial asset in default when contractual payment are 90 days past due. However, in certain cases, the Funds may also consider a financial asset to be in default when internal or external information indicates that the Funds are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Funds.

There was no material impact to the Funds upon adoption of the ECL requirements of AASB 9.

(iii) Hedge accounting

The Funds do not apply hedge accounting.

(iv) Investment income

Distribution income from financial assets at fair value through profit or loss is recognised in the Statements of comprehensive income within distribution income when the Fund's right to receive payments is established.

(v) Restatement of comparatives

There is no restatement in relation to AASB 9 adoption.

(vi) 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 and financial liabilities from this date. Financial assets 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.

2 Summary of significant accounting policies (continued)

(c) AASB 9 *Financial Instruments* (continued)

(vii) *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) AASB 15 *Revenue from Contracts with Customers*

AASB 15 replaces 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 measured at fair value. All of these are outside the scope of the new revenue standard. As a consequence, the adoption of AASB 15 does not have a significant impact on the Funds' accounting policies or the amounts recognised in the financial statements.

(e) 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.

(f) 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.

(g) 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.

Cash and cash equivalents are measured at amortised cost using the effective interest rate method, reduced by impairment losses.

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.

2 Summary of significant accounting policies (continued)

(h) 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.

(i) Expenses

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

(j) Income tax

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

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.

(k) 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.

(l) 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.

(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 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 at fair value through profit or loss.

2 Summary of significant accounting policies (continued)

(m) 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 as at year end. Trades are recorded on trade date, and for equities, normally settled within three business days.

(n) 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.

(o) 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.

(p) 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 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.

(q) 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.

(r) 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.

2 Summary of significant accounting policies (continued)

(s) New accounting standards and interpretations not yet adopted

There are no 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.

(t) 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 dollar/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 32-33 shows the impact on net asset value of the Funds of a reasonably possible shift in the MSCI Australia IMI Select SRI Screened Index, MVIS Australia A-REITs Index, MVIS Australia Banks Index, S&P/ASX MidCap 50 Index, MVIS Australia Resources Index, MVIS Australia Small-Cap Dividend Payers Index, MVIS Australian Equal Weight Index, assessed as an increase of 10% and decrease of 10% (2018: +/-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 Resources 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 and unit trusts 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.

3 Financial risk management (continued)

(a) Market risk (continued)

(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.

(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 MSCI Australian Sustainable Equity ETF (formerly VanEck Vectors S&P/ASX Franked Dividend ETF)

	Price risk Impact on operating profit/Net assets attributable to unitholders	
	-10%	+10%
	\$'000	\$'000
30 June 2019	(3,567)	3,567
30 June 2018	(390)	390

VanEck Vectors Australian Property ETF

	Price risk Impact on operating profit/Net assets attributable to unitholders	
	-10%	+10%
	\$'000	\$'000
30 June 2019	(23,158)	23,158
30 June 2018	(11,661)	11,661

VanEck Vectors Australian Banks ETF

	Price risk Impact on operating profit/Net assets attributable to unitholders	
	-10%	+10%
	\$'000	\$'000
30 June 2019	(4,734)	4,734
30 June 2018	(3,523)	3,523

3 Financial risk management (continued)

(b) Summarised sensitivity analysis (continued)

VanEck Vectors S&P/ASX MidCap ETF

	Price risk	
	Impact on operating profit/Net assets attributable to unitholders	
	-10%	+10%
	\$'000	\$'000
30 June 2019	(10,699)	10,699
30 June 2018	(8,845)	8,845

VanEck Vectors Australian Resources ETF

	Price risk	
	Impact on operating profit/Net assets attributable to unitholders	
	-10%	+10%
	\$'000	\$'000
30 June 2019	(6,018)	6,018
30 June 2018	(9,650)	9,650

VanEck Vectors Small Companies Masters ETF

	Price risk	
	Impact on operating profit/Net assets attributable to unitholders	
	-10%	+10%
	\$'000	\$'000
30 June 2019	(5,852)	5,852
30 June 2018	(6,968)	6,968

VanEck Vectors Australian Equal Weight ETF

	Price risk	
	Impact on operating profit/Net assets attributable to unitholders	
	-10%	+10%
	\$'000	\$'000
30 June 2019	(86,524)	86,524
30 June 2018	(52,226)	52,226

(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.

3 Financial risk management (continued)

(c) Credit risk (continued)

The clearing and depository operations of the Funds' security transactions are mainly concentrated with one counterparty namely State Street Australia Limited. The Standard and Poor's credit rating of the Funds' counterparties as at 30 June 2019 and 30 June 2018 are:

- AA- for State Street Australia Limited (2018: AA-); and
- AA- for State Street Bank & Trust Company (2018: AA-)

(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 ASX.

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 year end. The amounts in the table are contractual undiscounted cash flows.

VanEck Vectors MSCI Australian Sustainable Equity ETF (formerly VanEck Vectors S&P/ASX Franked Dividend ETF)

	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Over 12 months \$'000	Total \$'000
As at 30 June 2019					
Bank overdraft	233	-	-	-	233
Due to brokers - payable for securities purchased	172	-	-	-	172
Payables	9	-	-	-	9
Distributions payable	614	-	-	-	614
Contractual cash flows	1,028	-	-	-	1,028
As at 30 June 2018					
Bank overdraft	30	-	-	-	30
Payables	5	-	-	-	5
Distributions payable	5	-	-	-	5
Contractual cash flows	40	-	-	-	40

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 2019					
Bank overdraft	4,658	-	-	-	4,658
Due to brokers - payable for securities purchased	1,800	-	-	-	1,800
Payables	66	-	-	-	66
Distributions payable	4,274	-	-	-	4,274
Contractual cash flows	10,798	-	-	-	10,798
As at 30 June 2018					
Bank overdraft	2,625	-	-	-	2,625
Payables	39	-	-	-	39
Distributions payable	2,428	-	-	-	2,428
Contractual cash flows	5,092	-	-	-	5,092

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 2019					
Bank overdraft	745	-	-	-	745
Payables	21	-	-	-	21
Distributions payable	218	-	-	-	218
Contractual cash flows	984	-	-	-	984
As at 30 June 2018					
Bank overdraft	712	-	-	-	712
Payables	16	-	-	-	16
Distributions payable	38	-	-	-	38
Contractual cash flows	766	-	-	-	766

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 2019					
Bank overdraft	117	-	-	-	117
Payables	41	-	-	-	41
Distributions payable	<u>1,534</u>	-	-	-	<u>1,534</u>
Contractual cash flows	<u>1,692</u>	-	-	-	<u>1,692</u>
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	<u>627</u>	-	-	-	<u>627</u>
Contractual cash flows	<u>3,589</u>	-	-	-	<u>3,589</u>

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 2019					
Bank overdraft	25	-	-	-	25
Payables	17	-	-	-	17
Distributions payable	<u>697</u>	-	-	-	<u>697</u>
Contractual cash flows	<u>739</u>	-	-	-	<u>739</u>
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	<u>432</u>	-	-	-	<u>432</u>
Contractual cash flows	<u>1,845</u>	-	-	-	<u>1,845</u>

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 2019					
Bank overdraft	278	-	-	-	278
Payables	24	-	-	-	24
Distributions payable	1,356	-	-	-	1,356
Contractual cash flows	1,658	-	-	-	1,658
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	1,557	-	-	-	1,557

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 2019					
Bank overdraft	3,450	-	-	-	3,450
Due to brokers - payable for securities purchased	15,498	-	-	-	15,498
Payables	263	-	-	-	263
Distributions payable	16,044	-	-	-	16,044
Contractual cash flows	35,255	-	-	-	35,255
As at 30 June 2018					
Bank overdraft	2,562	-	-	-	2,562
Payables	186	-	-	-	186
Distributions payable	4,214	-	-	-	4,214
Contractual cash flows	6,962	-	-	-	6,962

4 Fair value measurement

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

- Financial assets 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 2019 and 30 June 2018.

VanEck Vectors MSCI Australian Sustainable Equity ETF (formerly VanEck Vectors S&P/ASX Franked Dividend ETF)

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2019				
Financial assets at fair value through profit or loss				
Listed equities	29,680	-	-	29,680
Listed unit trusts	5,987	-	-	5,987
Total	35,667	-	-	35,667
As at 30 June 2018				
Financial assets at fair value through profit or loss				
Listed equities	3,902	-	-	3,902
Total	3,902	-	-	3,902

VanEck Vectors Australian Property ETF

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2019				
Financial assets at fair value through profit or loss				
Listed unit trusts	231,583	-	-	231,583
Total	231,583	-	-	231,583
As at 30 June 2018				
Financial assets at fair value through profit or loss				
Listed unit trusts	116,611	-	-	116,611
Total	116,611	-	-	116,611

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 2019				
Financial assets at fair value through profit or loss				
Listed equities	<u>47,335</u>	-	-	<u>47,335</u>
Total	<u>47,335</u>	-	-	<u>47,335</u>
As at 30 June 2018				
Financial assets at fair value through profit or loss				
Listed equities	<u>35,225</u>	-	-	<u>35,225</u>
Total	<u>35,225</u>	-	-	<u>35,225</u>

VanEck Vectors S&P/ASX MidCap ETF

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2019				
Financial assets at fair value through profit or loss				
Listed equities	<u>103,128</u>	-	-	<u>103,128</u>
Listed unit trusts	<u>3,859</u>	-	-	<u>3,859</u>
Total	<u>106,987</u>	-	-	<u>106,987</u>
As at 30 June 2018				
Financial assets at fair value through profit or loss				
Listed equities	<u>86,136</u>	-	-	<u>86,136</u>
Listed unit trusts	<u>2,313</u>	-	-	<u>2,313</u>
Total	<u>88,449</u>	-	-	<u>88,449</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 2019				
Financial assets at fair value through profit or loss				
Listed equities	<u>60,184</u>	-	-	<u>60,184</u>
Total	<u>60,184</u>	-	-	<u>60,184</u>
As at 30 June 2018				
Financial assets at fair value through profit or loss				
Listed equities	<u>96,501</u>	-	-	<u>96,501</u>
Total	<u>96,501</u>	-	-	<u>96,501</u>

VanEck Vectors Small Companies Masters ETF

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2019				
Financial assets at fair value through profit or loss				
Listed equities	<u>49,275</u>	-	-	<u>49,275</u>
Listed unit trusts	<u>9,245</u>	-	-	<u>9,245</u>
Total	<u>58,520</u>	-	-	<u>58,520</u>
As at 30 June 2018				
Financial assets at fair value through profit or loss				
Listed equities	<u>60,490</u>	-	-	<u>60,490</u>
Listed unit trusts	<u>9,194</u>	-	-	<u>9,194</u>
Total	<u>69,684</u>	-	-	<u>69,684</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 2019				
Financial assets at fair value through profit or loss				
Listed equities	787,621	-	-	787,621
Listed unit trusts	77,617	-	-	77,617
Total	865,238	-	-	865,238
As at 30 June 2018				
Financial assets at fair value through profit or loss				
Listed equities	474,156	-	-	474,156
Listed unit trusts	48,102	-	-	48,102
Total	522,258	-	-	522,258

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 2019 and year ended 30 June 2018. There were also no changes made to any of the valuation techniques applied as at 30 June 2019.

(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 2019 or period ended 30 June 2018.

(iii) Fair values of other financial instruments

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 at fair value through profit or loss

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

	VanEck Vectors MSCI Australian Sustainable Equity ETF (formerly VanEck Vectors S&P/ASX Franked Dividend ETF)		VanEck Vectors Australian Property ETF	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Net gains/(losses) on financial assets at fair value through profit or loss	<u>699</u>	<u>149</u>	<u>31,792</u>	<u>7,425</u>
Total net gains/(losses) on financial instruments at fair value through profit or loss	<u>699</u>	<u>149</u>	<u>31,792</u>	<u>7,425</u>

	VanEck Vectors Australian Banks ETF		VanEck Vectors S&P/ASX MidCap ETF	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Net gains/(losses) on financial assets at fair value through profit or loss	<u>1,249</u>	<u>210</u>	<u>(11)</u>	<u>5,932</u>
Total net gains/(losses) on financial instruments at fair value through profit or loss	<u>1,249</u>	<u>210</u>	<u>(11)</u>	<u>5,932</u>

	VanEck Vectors Australian Resources ETF		VanEck Vectors Small Companies Masters ETF	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Net gains/(losses) on financial assets at fair value through profit or loss	<u>2,974</u>	<u>14,093</u>	<u>(759)</u>	<u>9,134</u>
Total net gains/(losses) on financial instruments at fair value through profit or loss	<u>2,974</u>	<u>14,093</u>	<u>(759)</u>	<u>9,134</u>

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

	VanEck Vectors Australian Equal Weight ETF	
	Year ended	
	30 June 2019 \$'000	30 June 2018 \$'000
Financial assets		
Net gains/(losses) on financial assets at fair value through profit or loss	<u>49,482</u>	<u>33,663</u>
Total net gains/(losses) on financial instruments at fair value through profit or loss	<u>49,482</u>	<u>33,663</u>

6 Financial assets at fair value through profit or loss

	VanEck Vectors MSCI Australian Sustainable Equity ETF (formerly VanEck Vectors S&P/ASX Franked Dividend ETF)		VanEck Vectors Australian Property ETF	
	As at		As at	
	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000
Financial assets at fair value through profit or loss				
Listed equities	29,680	3,902	-	-
Listed unit trusts	<u>5,987</u>	<u>-</u>	<u>231,583</u>	<u>116,611</u>
Total financial assets at fair value through profit or loss	<u>35,667</u>	<u>3,902</u>	<u>231,583</u>	<u>116,611</u>

	VanEck Vectors Australian Banks ETF		VanEck Vectors S&P/ASX MidCap ETF	
	As at		As at	
	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000
Financial assets at fair value through profit or loss				
Listed equities	47,335	35,225	103,128	86,136
Listed unit trusts	<u>-</u>	<u>-</u>	<u>3,859</u>	<u>2,313</u>
Total financial assets at fair value through profit or loss	<u>47,335</u>	<u>35,225</u>	<u>106,987</u>	<u>88,449</u>

6 Financial assets 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 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
Listed equities	60,184	96,501	49,275	60,490
Listed unit trusts	-	-	9,245	9,194
Total financial assets at fair value through profit or loss	60,184	96,501	58,520	69,684

	VanEck Vectors Australian Equal Weight ETF	
	As at	
	30 June 2019	30 June 2018
	\$'000	\$'000
Financial assets at fair value through profit or loss		
Listed equities	787,621	474,156
Listed unit trusts	77,617	48,102
Total financial assets at fair value through profit or loss	865,238	522,258

7 Units in issue

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

	VanEck Vectors MSCI Australian Sustainable Equity ETF (formerly VanEck Vectors S&P/ASX Franked Dividend ETF)		VanEck Vectors Australian Property ETF	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	No.'000	No.'000	No.'000	No.'000
Opening balance	162	160	5,646	3,053
Applications	1,200	1	3,640	2,589
Units issued upon reinvestment of distributions	2	1	5	4
Closing balance	1,364	162	9,291	5,646

7 Units in issue (continued)

	VanEck Vectors Australian Banks ETF		VanEck Vectors S&P/ASX MidCap ETF	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	No.'000	No.'000	No.'000	No.'000
Opening balance	1,272	987	3,133	1,332
Applications	400	280	700	1,900
Redemptions	-	-	-	(100)
Units issued upon reinvestment of distributions	4	5	2	1
Closing balance	<u>1,676</u>	<u>1,272</u>	<u>3,835</u>	<u>3,133</u>

	VanEck Vectors Australian Resources ETF		VanEck Vectors Small Companies Masters ETF	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	No.'000	No.'000	No.'000	No.'000
Opening balance	3,600	1,299	3,363	3,121
Applications	350	2,400	-	601
Redemptions	(1,900)	(100)	(480)	(360)
Units issued upon reinvestment of distributions	1	1	2	1
Closing balance	<u>2,051</u>	<u>3,600</u>	<u>2,885</u>	<u>3,363</u>

	VanEck Vectors Australian Equal Weight ETF	
	Year ended	
	30 June 2019	30 June 2018
	No.'000	No.'000
Opening balance	18,323	10,208
Applications	10,300	8,100
Units issued upon reinvestment of distributions	27	15
Closing balance	<u>28,650</u>	<u>18,323</u>

As stipulated within the Funds' Constitutions, a unit confers an equal undivided, vested, and infeasible 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.

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.

7 Units in issue (continued)

Capital risk management (continued)

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 MSCI Australian Sustainable Equity ETF (formerly VanEck Vectors S&P/ASX Franked Dividend ETF)			
	Year ended			
	30 June 2019	30 June 2019	30 June 2018	30 June 2018
	\$'000	CPU	\$'000	CPU
Distributions paid	245	111.00	178	110.89
Distributions payable	<u>614</u>	<u>45.00</u>	<u>5</u>	<u>3.00</u>
Total distributions	<u>859</u>	<u>156.00</u>	<u>183</u>	<u>113.89</u>

	VanEck Vectors Australian Property ETF			
	Year ended			
	30 June 2019	30 June 2019	30 June 2018	30 June 2018
	\$'000	CPU	\$'000	CPU
Distributions paid	3,504	54.00	2,137	58.00
Distributions payable	<u>4,274</u>	<u>46.00</u>	<u>2,428</u>	<u>43.00</u>
Total distributions	<u>7,778</u>	<u>100.00</u>	<u>4,565</u>	<u>101.00</u>

	VanEck Vectors Australian Banks ETF			
	Year ended			
	30 June 2019	30 June 2019	30 June 2018	30 June 2018
	\$'000	CPU	\$'000	CPU
Distributions paid	1,991	135.00	803	78.00
Distributions payable	<u>218</u>	<u>11.00</u>	<u>38</u>	<u>3.00</u>
Total distributions	<u>2,209</u>	<u>146.00</u>	<u>841</u>	<u>81.00</u>

8 Distributions to unitholders (continued)

VanEck Vectors S&P/ASX MidCap ETF

	Year ended			
	30 June 2019	30 June 2019	30 June 2018	30 June 2018
	\$'000	CPU	\$'000	CPU
Distributions paid	2,034	56.00	1,004	45.00
Distributions payable	<u>1,534</u>	<u>40.00</u>	<u>627</u>	<u>20.00</u>
Total distributions	<u>3,568</u>	<u>96.00</u>	<u>1,631</u>	<u>65.00</u>

VanEck Vectors Australian Resources ETF

	Year ended			
	30 June 2019	30 June 2019	30 June 2018	30 June 2018
	\$'000	CPU	\$'000	CPU
Distributions paid	1,000	50.00	720	48.00
Distributions payable	<u>697</u>	<u>34.00</u>	<u>432</u>	<u>12.00</u>
Total distributions	<u>1,697</u>	<u>84.00</u>	<u>1,152</u>	<u>60.00</u>

VanEck Vectors Small Companies Masters ETF

	Year ended			
	30 June 2019	30 June 2019	30 June 2018	30 June 2018
	\$'000	CPU	\$'000	CPU
Distributions paid	931	31.00	1,219	35.00
Distributions payable	<u>1,356</u>	<u>47.00</u>	<u>1,042</u>	<u>31.00</u>
Total distributions	<u>2,287</u>	<u>78.00</u>	<u>2,261</u>	<u>66.00</u>

VanEck Vectors Australian Equal Weight ETF

	Year ended			
	30 June 2019	30 June 2019	30 June 2018	30 June 2018
	\$'000	CPU	\$'000	CPU
Distributions paid	12,980	56.00	8,026	54.00
Distributions payable	<u>16,044</u>	<u>56.00</u>	<u>4,214</u>	<u>23.00</u>
Total distributions	<u>29,024</u>	<u>112.00</u>	<u>12,240</u>	<u>77.00</u>

9 Cash and cash equivalents

	VanEck Vectors MSCI Australian Sustainable Equity ETF (formerly VanEck Vectors S&P/ASX Franked Dividend ETF)	
	As at	
	30 June 2019	30 June 2018
	\$'000	\$'000
Cash at bank	184	-
Total cash and cash equivalents	184	-

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 MSCI Australian Sustainable Equity ETF (formerly VanEck Vectors S&P/ASX Franked Dividend ETF)	
	As at	
	30 June 2019	30 June 2018
	\$'000	\$'000
Balances as above	184	-
Bank overdrafts*	(233)	(30)
Balance per Statement of cash flows	(49)	(30)

*The bank overdrafts are Westpac overdraft accounts used for dividend equitisation. In 2019, interest was charged 3.00% p.a. (2018: between 3.24% to 3.57%p.a.).

	VanEck Vectors Australian Property ETF	
	As at	
	30 June 2019	30 June 2018
	\$'000	\$'000
Cash at bank	81	35
Total cash and cash equivalents	81	35

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 2019	30 June 2018
	\$'000	\$'000
Balances as above	81	35
Bank overdrafts*	<u>(4,658)</u>	<u>(2,625)</u>
Balance per Statement of cash flows	<u>(4,577)</u>	<u>(2,590)</u>

*The bank overdrafts are Westpac overdraft accounts used for dividend equitisation. In 2019, interest was charged 3.00% p.a. (2018: between 3.24% to 3.57%p.a.).

	VanEck Vectors Australian Banks ETF	
	As at	
	30 June 2019	30 June 2018
	\$'000	\$'000
Cash at bank	<u>20</u>	<u>-</u>
Total cash and cash equivalents	<u>20</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 2019	30 June 2018
	\$'000	\$'000
Balances as above	20	-
Bank overdrafts*	<u>(745)</u>	<u>(712)</u>
Balance per Statement of cash flows	<u>(725)</u>	<u>(712)</u>

*The bank overdrafts are Westpac overdraft accounts used for dividend equitisation. In 2019, interest was charged 3.00% p.a. (2018: between 3.24% to 3.57%p.a.).

9 Cash and cash equivalents (continued)

	VanEck Vectors S&P/ASX MidCap ETF	
	As at	
	30 June 2019	30 June 2018
	\$'000	\$'000
Cash at bank	<u>13</u>	<u>14</u>
Total cash and cash equivalents	<u>13</u>	<u>14</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 S&P/ASX MidCap ETF	
	As at	
	30 June 2019	30 June 2018
	\$'000	\$'000
Balances as above	13	14
Bank overdrafts*	<u>(117)</u>	<u>(92)</u>
Balance per Statement of cash flows	<u>(104)</u>	<u>(78)</u>

*The bank overdrafts are Westpac overdraft accounts used for dividend equitisation. In 2019, interest was charged 3.00% p.a. (2018: between 3.24% to 3.57%p.a.).

	VanEck Vectors Australian Resources ETF	
	As at	
	30 June 2019	30 June 2018
	\$'000	\$'000
Cash at bank	<u>18</u>	<u>9</u>
Total cash and cash equivalents	<u>18</u>	<u>9</u>

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 2019 \$'000	30 June 2018 \$'000
Balances as above	18	9
Bank overdrafts*	<u>(25)</u>	<u>(42)</u>
Balance per Statement of cash flows	<u>(7)</u>	<u>(33)</u>

*The bank overdrafts are Westpac overdraft accounts used for dividend equitisation. In 2019, interest was charged 3.00% p.a. (2018: between 3.24% to 3.57%p.a.).

	VanEck Vectors Small Companies Masters ETF	
	As at	
	30 June 2019 \$'000	30 June 2018 \$'000
Cash at bank	<u>33</u>	<u>173</u>
Total cash and cash equivalents	<u>33</u>	<u>173</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 2019 \$'000	30 June 2018 \$'000
Balances as above	33	173
Bank overdrafts*	<u>(278)</u>	<u>(338)</u>
Balance per Statement of cash flows	<u>(245)</u>	<u>(165)</u>

*The bank overdrafts are Westpac overdraft accounts used for dividend equitisation. In 2019, interest was charged 3.00% p.a. (2018: between 3.24% to 3.57%p.a.).

9 Cash and cash equivalents (continued)

	VanEck Vectors Australian Equal Weight ETF	
	As at	
	30 June 2019	30 June 2018
	\$'000	\$'000
Cash at bank	250	88
Total cash and cash equivalents	250	88

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 2019	30 June 2018
	\$'000	\$'000
Balances as above	250	88
Bank overdrafts*	(3,450)	(2,562)
Balance per Statement of cash flows	(3,200)	(2,474)

*The bank overdrafts are Westpac overdraft accounts used for dividend equitisation. In 2019, interest was charged 3.00% p.a. (2018: between 3.24% to 3.57%p.a.).

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

	VanEck Vectors MSCI Australian Sustainable Equity ETF (formerly VanEck Vectors S&P/ASX Franked Dividend ETF)		VanEck Vectors Australian Property ETF	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities				
Profit/(loss) for the year	1,245	323	40,076	11,977
Proceeds from sale of financial instruments at fair value through profit or loss	8,304	2,460	51,289	30,567
Purchase of financial instruments at fair value through profit or loss	(39,733)	(2,453)	(134,819)	(81,203)
Net (gains)/losses on financial instruments at fair value through profit or loss	(699)	(149)	(31,792)	(7,425)
Net change in receivables	(204)	(7)	(2,102)	(1,506)
Net change in payables	4	(1)	27	20
Net cash inflow/(outflow) from operating activities	(31,083)	173	(77,321)	(47,570)
(b) Non-cash financing activities				
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	49	23	103	71

**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 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities				
Profit/(loss) for the year	3,658	1,820	3,206	7,665
Proceeds from sale of financial instruments at fair value through profit or loss	3,960	3,774	16,440	17,059
Purchase of financial instruments at fair value through profit or loss	(15,030)	(11,518)	(39,322)	(62,592)
Net (gains)/losses on financial instruments at fair value through profit or loss	(1,249)	(210)	11	(5,932)
Net change in receivables	(31)	(108)	7	(105)
Net change in payables	5	10	4	24
Net cash inflow/(outflow) from operating activities	(8,687)	(6,232)	(19,654)	(43,881)
(b) Non-cash financing activities				
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	113	129	43	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 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities				
Profit/(loss) for the year	5,523	15,175	1,294	11,253
Proceeds from sale of financial instruments at fair value through profit or loss	58,915	12,733	38,572	34,566
Purchase of financial instruments at fair value through profit or loss	(21,650)	(67,628)	(28,973)	(38,823)
Net (gains)/losses on financial instruments at fair value through profit or loss	(2,974)	(14,093)	759	(9,134)
Net change in receivables	16	(31)	53	(94)
Net change in payables	(12)	21	(5)	5
Net cash inflow/(outflow) from operating activities	39,818	(53,823)	11,700	(2,227)

(b) Non-cash financing activities

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

	30	21	34	18
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VanEck Vectors Australian Equal Weight ETF

	Year ended	
	30 June 2019	30 June 2018
	\$'000	\$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities		
Profit/(loss) for the year	75,995	47,480
Proceeds from sale of financial instruments at fair value through profit or loss	170,564	150,445
Purchase of financial instruments at fair value through profit or loss	(462,787)	(380,386)
Net (gains)/losses on financial instruments at fair value through profit or loss	(49,482)	(33,663)
Net change in receivables	(889)	(1,362)
Net change in payables	77	96
Net cash inflow/(outflow) from operating activities	(266,522)	(217,390)

(b) Non-cash financing activities

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

	710	406
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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 MSCI Australian Sustainable Equity ETF (formerly VanEck Vectors S&P/ASX Franked Dividend ETF)		VanEck Vectors Australian Property ETF	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$
Ernst & Young				
<i>Audit services</i>				
Audit and review of financial statements	20,696	12,772	19,344	19,158
Audit of compliance plan	<u>1,892</u>	<u>2,163</u>	<u>1,892</u>	<u>2,163</u>
Total remuneration of Ernst & Young	<u>22,588</u>	<u>14,935</u>	<u>21,236</u>	<u>21,321</u>
	VanEck Vectors Australian Banks ETF		VanEck Vectors S&P/ASX MidCap ETF	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$
Ernst & Young				
<i>Audit services</i>				
Audit and review of financial statements	19,344	19,158	19,344	19,158
Audit of compliance plan	<u>1,892</u>	<u>2,163</u>	<u>1,892</u>	<u>2,163</u>
Total remuneration of Ernst & Young	<u>21,236</u>	<u>21,321</u>	<u>21,236</u>	<u>21,321</u>
	VanEck Vectors Australian Resources ETF		VanEck Vectors Small Companies Masters ETF	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$
Ernst & Young				
<i>Audit services</i>				
Audit and review of financial statements	19,344	19,158	19,344	19,158
Audit of compliance plan	<u>1,892</u>	<u>2,163</u>	<u>1,892</u>	<u>2,163</u>
Total remuneration of Ernst & Young	<u>21,236</u>	<u>21,321</u>	<u>21,236</u>	<u>21,321</u>

11 Remuneration of auditors (continued)

	VanEck Vectors Australian Equal Weight ETF	
	Year ended	
	30 June 2019	30 June 2018
	\$	\$
Ernst & Young		
<i>Audit services</i>		
Audit and review of financial statements	19,344	19,158
Audit of compliance plan	1,892	2,163
Total remuneration of Ernst & Young	21,236	21,321

During the year 2019 and 2018, auditor's remuneration was paid by VanEck Australia Pty Ltd., the direct parent of the Responsible Entity.

12 Receivables

	VanEck Vectors MSCI Australian Sustainable Equity ETF (formerly VanEck Vectors S&P/ASX Franked Dividend ETF)		VanEck Vectors Australian Property ETF	
	As at		As at	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000
Dividend and distributions receivable	233	30	4,783	2,683
Applications receivable	-	-	1,799	-
Other receivables	5	4	10	8
Total Receivables	238	34	6,592	2,691

	VanEck Vectors Australian Banks ETF		VanEck Vectors S&P/ASX MidCap ETF	
	As at		As at	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000
Dividend and distributions receivable	745	715	131	144
Applications receivable	-	-	-	2,833
Other receivables	10	9	15	9
Total Receivables	755	724	146	2,986

12 Receivables (continued)

	VanEck Vectors Australian Resources ETF		VanEck Vectors Small Companies Masters ETF	
	As at		As at	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000
Dividend and distributions receivable	25	42	279	332
Applications receivable	-	1,342	-	-
Other receivables	6	5	2	2
Total Receivables	31	1,389	281	334

	VanEck Vectors Australian Equal Weight ETF	
	As at	
	30 June 2019	30 June 2018
	\$'000	\$'000
Dividend and distributions receivable	3,455	2,567
Applications receivable	15,499	-
Other receivables	48	47
Total Receivables	19,002	2,614

13 Payables

	VanEck Vectors MSCI Australian Sustainable Equity ETF (formerly VanEck Vectors S&P/ASX Franked Dividend ETF)		VanEck Vectors Australian Property ETF	
	As at		As at	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000
Management fees payable	4	1	64	34
Other payables	5	4	2	5
Total Payables	9	5	66	39

13 Payables (continued)

	VanEck Vectors Australian Banks ETF		VanEck Vectors S&P/ASX MidCap ETF	
	As at		As at	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000
Management fees payable	11	7	38	31
Audit and accounting fees payable	1	-	-	-
Other payables	<u>9</u>	<u>9</u>	<u>3</u>	<u>6</u>
Total Payables	<u>21</u>	<u>16</u>	<u>41</u>	<u>37</u>

	VanEck Vectors Australian Resources ETF		VanEck Vectors Small Companies Masters ETF	
	As at		As at	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000
Management fees payable	16	27	23	28
Other payables	<u>1</u>	<u>2</u>	<u>1</u>	<u>1</u>
Total Payables	<u>17</u>	<u>29</u>	<u>24</u>	<u>29</u>

	VanEck Vectors Australian Equal Weight ETF	
	As at	
	30 June 2019	30 June 2018
	\$'000	\$'000
Management fees payable	237	146
Other payables	<u>26</u>	<u>40</u>
Total Payables	<u>263</u>	<u>186</u>

14 Related party transactions

Responsible Entity

The Responsible Entity of the Funds is 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.

14 Related party transactions (continued)

Key management personnel

Key management personnel includes persons who were directors of the Responsible Entity at any time during the year as follows:

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 Responsible Entity held units in the Funds as follows:

VanEck Vectors Australian Property ETF 30 June 2019

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	-

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

VanEck Vectors S&P/ASX MidCap ETF 30 June 2019

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	6,139	0.006	-	-	208

14 Related party transactions (continued)

(b) Key management personnel unitholdings (continued)

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

VanEck Vectors Australian Resources ETF 30 June 2019

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	-

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	-	130	78

VanEck Vectors Small Companies Masters ETF 30 June 2019

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	-

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

14 Related party transactions (continued)

(b) Key management personnel unitholdings (continued)

VanEck Vectors Australian Equal Weight ETF 30 June 2019

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	70,694	0.01	-	-	2,576

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	-

Key management personnel compensation

Key management personnel are paid by VanEck Australia Pty Ltd, the parent company of the Responsible Entity. Payments made from the Funds to the Responsible Entity 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 (2018: 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 (2018: Nil).

Related party transactions

The Responsible Entity 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 MSCI Australian Sustainable Equity ETF (formerly VanEck Vectors S&P/ASX Franked Dividend ETF) under the terms of the Constitution (2018: 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 (2018: 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 (2018: 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 (2018: 0.45% 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 (2018: 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 (2018: 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 (2018: 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 MSCI Australian Sustainable Equity ETF (formerly VanEck Vectors S&P/ASX Franked Dividend ETF)		VanEck Vectors Australian Property ETF	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$
Responsible Entity's fees paid and payable for the year	22,590	13,500	559,708	295,599
Aggregate amounts payable to the Responsible Entity at the end of the year	3,797	1,098	64,410	33,543
	VanEck Vectors Australian Banks ETF		VanEck Vectors S&P/ASX MidCap ETF	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$
Responsible Entity's fees paid and payable for the year	112,527	81,672	436,660	272,582
Aggregate amounts payable to the Responsible Entity at the end of the year	10,558	7,509	38,387	31,149

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 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$
Responsible Entity's fees paid and payable for the year	197,233	174,500	293,720	326,744
Aggregate amounts payable to the Responsible Entity at the end of the year	16,380	26,876	23,482	28,142
			VanEck Vectors Australian Equal Weight ETF	
			Year ended	
			30 June 2019	30 June 2018
			\$	\$
Responsible Entity's fees paid and payable for the year			2,312,237	1,396,005
Aggregate amounts payable to the Responsible Entity at the end of the year			236,793	146,191

(c) Related party unit holdings

Parties related to the Funds held no units in the Funds as at 30 June 2019 (2018: Nil).

Investments

The Funds did not hold any investments in the Responsible Entity or its related parties during the year (2018: 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 2019 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 2019 and 30 June 2018.

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 2019 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
25 September 2019

INDEPENDENT AUDITOR'S REPORT

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

- VanEck Vectors MSCI Australian Sustainable Equity ETF (GRNV) (formerly 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 2019, 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 Funds.

In our opinion:

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

- giving a true and fair view of the Funds' financial position as at 30 June 2019 and of their financial performance for the year ended on that date; and
- 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 2019, the value of these financial assets were as follows:

Fund	Value of investments and cash	Investments and cash as a % of Total Assets held by Fund
GRNV	\$35,851,001	98%
MVA	\$231,664,303	96%
MVB	\$47,354,653	98%
MVE	\$106,999,359	98%
MVR	\$60,202,431	99%
MVS	\$58,553,512	97%
MVW	\$865,487,939	96%

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

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.

How our audit addressed the key audit matter

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 2019 and considered the auditor's qualifications, competence, objectivity and the results of their procedures.

We agreed all investment holdings, including cash accounts, to third party confirmations at 30 June 2019.

We assessed the fair value of all investments in the portfolio held at 30 June 2019. For listed securities, the values were verified against independently sourced market prices.

We assessed the adequacy of the disclosures in Note 4 and 6 to the financial report.

2. Management Fees

Why significant

Management fees paid to the Responsible Entity, VanEck Investments Limited, are usually the most significant expense of the Funds.

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

As at 30 June 2019, management fees totalled:

Fund	Management Fees	Management Fees as a % of Total Expenses incurred
GRNV	\$22,590	92%
MVA	\$559,603	87%
MVB	\$112,527	85%
MVE	\$436,660	89%
MVR	\$197,233	88%
MVS	\$293,720	91%
MVW	\$2,312,239	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 and Product Disclosure Statements (PDS) including agreeing the contract rate to the calculation.

We assessed the adequacy of the disclosures in Notes 2 and 14 to 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 each 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

Ernst & Young

A handwritten signature in black ink, appearing to read 'Rohit Khanna', with a long horizontal stroke extending to the right.

Rohit Khanna
Engagement Partner
Sydney
25 September 2019