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VanEck Vectors ETF Trust
Form N-CSR
February 07, 2019
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-10325

VANECK VECTORS ETF TRUST

(Exact name of registrant as specified in its charter)

666 Third Avenue, New York, N.Y. 10017

(Address of principal executive offices) (Zip Code)

Van Eck Associates Corporation

VanEck Vectors ETF Trust

666 Third Avenue

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New York, N.Y. 10017

(Name and address of agent for service)

Registrant's telephone number, including area code: (212)293-2000

Date of fiscal year end: November 30

Date of reporting period: November 30, 2018

Item 1. REPORT TO SHAREHOLDERS.

A copy of the report transmitted to stockholders pursuant to Rule 30e-1 under the Act (17 CFR 270.30e-1) is attached hereto.

ANNUAL REPORT
November 30, 2018

VANECK VECTORS®

High Income MLP ETF YMLP®
High Income Infrastructure MLP ETF YMLI®

800.826.2333 vaneck.com

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Certain information contained in this management discussion represents the opinion of the investment adviser which may change at any time. This information is not intended to be a forecast of future events, a guarantee of future results or investment advice. Current market conditions may not continue. The information contained herein regarding each index has been provided by the relevant index provider. Also, unless otherwise specifically noted, any discussion of the Funds’ holdings, the Funds’ performance, and the views of the investment adviser are as of November 30, 2018.

VANECK VECTORS ETFs

(unaudited)

Dear Shareholder:

We are pleased to present this annual report, which affords us the opportunity to provide a review of the economic backdrop for the last 12 months. But first, in light of the many developments that occurred across global markets over that period, we want to reemphasize VanEck's corporate mission and its implications to you as our valued shareholders.

As you may know, VanEck has a history of looking beyond the financial markets to identify historical, political, and/or technological trends that are likely to create or impact investment opportunities. We were one of the first U.S. asset managers to offer investors access to international markets, which set the tone for our drive to identify promising asset classes and trends. In this respect, our unconventional (at the time) efforts to introduce investors to gold investing in 1968, emerging markets (including China) in 1993, and ETFs in 2006, are now considered mainstream, permanently shaping the investment management industry as we now know it.

Today, we offer both active and passive strategies with compelling exposures supported by well-designed investment processes. Our firm's capabilities range from strategies designed to strengthen core investment allocations, to more specialized exposures that enhance portfolio diversification and reduce volatility.

Putting clients' interests first in all market environments is at the heart of the firm's mission and has been since our founding in 1955. We will, as always, continue to seek out and evaluate the most attractive opportunities for you as shareholders.

As we wrote in our Market Insights research, which can be found at www.vaneck.com/blogs/market-insights, we went into the last stretch of 2017 with rising U.S. interest rates, the "grind trade" in commodities, and the passing of "Old China" and birth of "New China" very much on our minds. We began 2018 by noting that global growth had gone from "ticking up" to "firmly in place" and that, while central banks were tightening, Europe remained "two years" behind the U.S. in this trend and had a trickier task. Further, our base case was for 10-year interest rates to rise to 3.5% with the curve not inverting. In its third longest bull market ever, we remained bullish on U.S. equities in the short-term, but were prepared for a correction. And, finally, we believed that investors should not be underweight commodities as global growth was supporting the bullish "grind trade" narrative from supply cutbacks.

The big shock to this growth story came in the second quarter of 2018, with concerns about European and Chinese growth. This led to U.S. dollar strength, commodity weakness, and emerging markets equity weakness.

We generally hold with our outlook for the remainder of 2018 from the end of last year: 1) U.S. equities continue in the third longest bull market ever, earnings are growing, and the policy mix is supportive; 2) for commodities, global growth is strong enough and supply limits persist—the bullish “grind trade” continues.

To keep you informed on an ongoing basis, we encourage you to stay in touch with us through the videos, email subscriptions, and research blogs available on our website, www.vaneck.com. Should you have any questions regarding fund performance, please contact us at 800.826.2333 or visit www.vaneck.com.

We sincerely thank you for investing in VanEck’s investment strategies. On the following pages, you will find performance discussions and financial statements for each of the funds for the twelve month period ended November 30, 2018. As always, we value your continued confidence in us and look forward to helping you meet your investment goals in the future.

*Jan F. van Eck
Trustee and President
VanEck Vectors ETF Trust*

December 11, 2018

Investing involves substantial risk and high volatility, including possible loss of principal. An investor should consider the investment objective, risks, charges and expenses of the Funds carefully before investing. To obtain a prospectus and summary prospectus, which contain this and other information, call 800.826.2333 or visit vaneck.com. Please read the prospectus and summary prospectus carefully before investing.

VANECK VECTORS ETFs

(unaudited)

Management Discussion

The performance of both funds continued to be affected by a number of factors. The fluctuations of the crude oil market certainly had their effect during the period under review. In addition, MLPs were also affected by two factors relating to the structure of MLPs themselves. First, the drop in the corporate tax rate resulting from President Trump's tax reforms reduced a major tax advantage enjoyed by MLPs (versus corporations). Second, the ruling earlier in 2018 by the Federal Energy Regulatory Commission (FERC) that disallows income tax allowance cost recovery in MLP pipeline rates negatively impacted a number of MLPs.

High Income MLP

For the 12 months ended November 30, 2018, the VanEck Vectors High Income ETF (NYSE Arca: YMLP) lost 7.16% on a total return basis.*

The Fund suffered, especially as a result of its exposure to MLPs involved in oil and gas transportation and storage, and oil and gas equipment and services subsectors – both within the energy sector. Within the oil and gas transportation and storage subsector, shipping MLPs were particularly detractive from Fund performance. While the Fund's exposures to MLPs involved in coal and consumable fuels and, in particular, U.S. natural gas contract compression services (all within the energy sector) contributed positively to performance, these contributions failed to counterbalance the aggregate negative performances of other MLPs in the energy sector.

High Income Infrastructure MLP

For the 12 months ended November, 2018, the VanEck Vectors High Income Infrastructure MLP ETF (NYSE Arca: YMLI) lost 0.53% on a total return basis.*

Since YMLI remained focused on the midstream segment of the MLP sector, it was particularly exposed to the volatility in oil prices over the period under review. Within the energy sector, which performed negatively as a whole, MLPs in the oil and gas storage and transportation subindustry (in which the Fund remains predominantly invested) detracted most from performance. While several oil and gas storage and transportation companies performed strongly in the portfolio, detractors outweighed these companies.

Returns based on NAV. The performance data quoted represents past performance. Past performance is not a guarantee of future results. These returns do not reflect the deduction of taxes that a shareholder would pay on Fund *dividends and distributions or the sale of Fund shares. Investment return and value of the shares of the funds will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than performance data quoted.

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VANECK VECTORS HIGH INCOME MLP ETF

PERFORMANCE COMPARISON

November 30, 2018 (unaudited)

	Average Annual Total Returns				Cumulative Total Returns			
	Share Price	NAV	YMLPTR ¹	SPTR ²	Share Price	NAV	YMLPTR ¹	SPTR ²
One Year	(7.08)%	(7.16)%	(8.57)%	6.27 %	(7.08)%	(7.16)%	(8.57)%	6.27 %
Five Year	(18.46)%	(18.42)%	(19.12)%	11.12%	(63.94)%	(63.86)%	(65.39)%	69.43 %
Life*	(13.45)%	(13.42)%	(13.10)%	13.32%	(62.11)%	(62.04)%	(61.07)%	131.75%

*Commencement of Fund: 3/12/12; First Day of Secondary Market Trading: 3/13/12.

¹ Solactive High Income MLP Index (YMLPTR) is a rules-based index designed to provide investors a means of tracking the performance of selected MLPs which are publicly traded on a U.S. securities exchange. The MLP Index is comprised of MLPs that meet certain criteria relating to current yield, coverage ratio and distribution growth as determined by Solactive. Market capitalization and liquidity screens will be applied in addition to the fundamental screens for current yield, coverage ratio and distribution growth to ensure sufficient market size and liquidity of the MLP Index components.

² The S&P 500 Index (SPTR) is a market-value weighted index consisting of 500 stocks chosen for market size, liquidity, and industry group representation, with each stock's weight in the Index proportionate to its market value. *VanEck Vectors High Income MLP ETF (the "Fund") is the successor to the Yorkville High Income MLP ETF pursuant to reorganizations that took place on February 22, 2016. Prior to that date, the Fund had no investment operations. Accordingly, for periods prior to that date, the Fund performance information is that of the Yorkville High Income MLP ETF.*

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

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

Past performance is no guarantee of future results. Performance results do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares.

See "About Fund Performance" on page 5 for more information.

VANECK VECTORS HIGH INCOME INFRASTRUCTURE MLP ETF

PERFORMANCE COMPARISON

November 30, 2018 (unaudited)

	Average Annual Total Returns				Cumulative Total Returns			
	Share Price	NAV	YMLITR ¹	SPTR ²	Share Price	NAV	YMLITR ¹	SPTR ²
One Year	(0.57)%	(0.53)%	(2.24)%	6.27 %	(0.57)%	(0.53)%	(2.24)%	6.27 %
Five Year	(3.80)%	(3.84)%	(4.23)%	11.12%	(17.61)%	(17.77)%	(19.42)%	69.43 %
Life*	(1.53)%	(1.56)%	(0.82)%	13.20%	(8.56)%	(8.72)%	(4.67)%	105.25%

*Commencement of Fund: 2/11/13; First Day of Secondary Market Trading: 2/12/13.

Solactive High Income Infrastructure MLP Index (YMLITR) is a rules-based index designed to provide investors a means of tracking the performance of selected MLPs which are publicly traded on a U.S. securities exchange. The Infrastructure MLP Index is comprised of MLPs that meet certain criteria relating to current yield, coverage ratio and distribution growth as determined by Solactive. Market capitalization and liquidity screens will be applied in addition to fundamental screens for current yield, coverage ratio and distribution growth to ensure sufficient market size and liquidity of the Infrastructure MLP Index components.

The S&P 500 Index (SPTR) is a market-value weighted index consisting of 500 stocks chosen for market size, liquidity, and industry group representation, with each stock's weight in the Index proportionate to its market value.

VanEck Vectors High Income Infrastructure MLP ETF (the "Fund") is the successor to the Yorkville High Income Infrastructure MLP ETF pursuant to reorganizations that took place on February 22, 2016. Prior to that date, the Fund had no investment operations. Accordingly, for periods prior to that date, the Fund performance information is that of the Yorkville High Income Infrastructure MLP ETF.

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

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

Past performance is no guarantee of future results. Performance results do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares.

See "About Fund Performance" on page 5 for more information.

VANECK VECTORS ETFs

ABOUT FUND PERFORMANCE

(unaudited)

The price used to calculate market return (Share Price) is determined by using the closing price listed on its primary listing exchange. Since the shares of each Fund did not trade in the secondary market until after each Fund's commencement, for the period from commencement to the first day of secondary market trading in shares of each Fund, the NAV of each Fund is used as a proxy for the secondary market trading price to calculate market returns.

These returns do not reflect the deduction of taxes that a shareholder would pay on Fund dividends and distributions or the sale of Fund shares.

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

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

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

Index returns assume the reinvestment of all income and do not reflect any management fees, interest expense, brokerage expenses or income tax benefit/(expense) associated with Fund returns. Investors cannot invest directly in the Index. Returns for actual Fund investors may differ from what is shown because of differences in timing, the amount invested and fees and expenses. Past performance is no guarantee of future results.

Solactive High Income MLP Index and Solactive High Income Infrastructure MLP Index are published by Solactive AG (the "Index Provider"). The Index Provider does not sponsor, endorse, or promote the Funds and bear no liability with respect to the Funds or any security.

Premium/discount information regarding how often the closing trading price of the Shares of each Fund were above (i.e., at a premium) or below (i.e., at a discount) the NAV of the Fund for each of the four previous calendar quarters and the immediately preceding five years (if applicable) can be found at www.vaneck.com.

VANECK VECTORS ETF TRUST

EXPLANATION OF EXPENSES

(unaudited)

Hypothetical \$1,000 investment at beginning of period

As a shareholder of a Fund, you incur operating expenses, including management fees and other Fund expenses. This disclosure is intended to help you understand the ongoing costs (in dollars) of investing in your Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

This disclosure is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period, June 1, 2018 to November 30, 2018.

Actual Expenses

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

Hypothetical Example for Comparison Purposes

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

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

Beginning Account Value	Ending Account Value	Annualized Expense Ratio	Expenses Paid During
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	June 1, 2018	November 30, 2018	During Period⁽¹⁾	the Period	
High Income MLP ETF*					
Actual	\$1,000.00	\$911.10	0.87	%	\$4.17
Hypothetical**	\$1,000.00	\$1,020.71	0.87	%	\$4.41
High Income Infrastructure MLP ETF*					
Actual	\$1,000.00	\$952.10	0.86	%	\$4.21
Hypothetical**	\$1,000.00	\$1,020.76	0.86	%	\$4.36

(1) Tax benefit/(expense) is not included in the ratio calculation.

Expenses are equal to each Fund's annualized expense ratio (for the six months ended November 30, 2018)

* multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year divided by the number of days in the fiscal year (to reflect the one-half year period).

** Assumes annual return of 5% before expenses.

VANECK VECTORS HIGH INCOME MLP ETF

SCHEDULE OF INVESTMENTS

November 30, 2018

Number of Shares		Value
MASTER LIMITED PARTNERSHIPS:		
99.0%		
Energy: 77.8%		
311,234	Alliance Resource Partners LP	\$6,115,748
159,459	Black Stone Minerals LP	2,670,938
865,126	Capital Product Partners LP	2,084,954
121,876	CrossAmerica Partners LP	1,923,203
118,228	GasLog Partners LP	2,720,426
168,740	Global Partners LP	2,915,827
143,052	Golar LNG Partners LP	1,738,082
213,737	Hi-Crush Partners LP	1,252,499
137,982	KNOT Offshore Partners LP	2,765,159
229,004	NGL Energy Partners LP	2,125,157
98,808	Sunoco LP	2,762,672
145,341	Teekay LNG Partners LP	1,967,917
1,107,783	Teekay Offshore Partners LP	1,838,920
152,841	USA Compression Partners LP	2,210,081
		35,091,583
Number of Shares		Value
Materials: 9.8%		
138,684	SunCoke Energy Partners LP	\$1,700,266
119,262	Westlake Chemical Partners LP	2,709,633
		4,409,899
Utilities: 11.4%		
66,112	AmeriGas Partners LP	2,456,722
114,936	Suburban Propane Partners LP	2,684,905
		5,141,627
Total Master Limited Partnerships:		
99.0%		44,643,109
(Cost \$42,539,640)		
Other Assets in Excess of Liabilities: 1.0%		447,534
NET ASSETS: 100.0%		\$45,090,643

LP—Limited Partner

Summary of Investments by Sector	% of Investments	Value
Energy	78.6 %	\$35,091,583
Materials	9.9 %	4,409,899
Utilities	11.5 %	5,141,627
	100.0%	\$44,643,109

As of November 30, 2018, all of the Fund's investments were considered Level 1, in accordance with the authoritative guidance under U.S. GAAP.

There were no transfers between levels during the year ended November 30, 2018.

The accompanying notes are an integral part of the financial statements.

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VANECK VECTORS HIGH INCOME INFRASTRUCTURE MLP ETF

SCHEDULE OF INVESTMENTS

November 30, 2018

Number of Shares		Value
MASTER LIMITED PARTNERSHIPS: 91.6%		
Energy: 91.6%		
17,488	Andeavor Logistics LP	\$652,652
29,771	Antero Midstream Partners LP	823,466
18,610	Buckeye Partners LP	550,112
25,860	Cheniere Energy Partners LP	974,405
52,463	CNX Midstream Partners LP	949,580
27,987	Crestwood Equity Partners LP	831,214
21,994	DCP Midstream LP	749,556
64,999	Dominion Energy Midstream Partners LP	1,207,681
56,287	Enable Midstream Partners LP	750,869
63,304	Enbridge Energy Partners LP	688,114
52,022	Energy Transfer Equity LP	757,961
53,980	EnLink Midstream Partners LP	714,155
13,367	EQT Midstream Partners LP	637,071
39,470	Genesis Energy LP	870,314
27,726	Holly Energy Partners LP	779,932
14,913	Noble Midstream Partners LP	494,068
40,608	NuStar Energy LP	981,495
20,653	Spectra Energy Partners LP	748,671
52,157	Summit Midstream Partners LP	641,010
33,625	TC PipeLines LP	1,001,689
20,869	Valero Energy Partners LP	877,959
22,735	Western Gas Equity Partners LP	658,860
17,653	Western Gas Partners LP	784,499
	Total Master Limited Partnerships	18,125,333
	(Cost \$19,517,872)	
Number of Shares		Value
COMMON STOCK: 7.5%		
Energy: 7.5%		
53,727	EnLink Midstream LLC	\$614,100
41,212	Tallgrass Energy GP LP, CI A	880,288
	Total Common Stock	1,494,388
	(Cost \$1,730,152)	
MONEY MARKET FUND: 0.1%		
14,114	Dreyfus Government Cash Management Fund, Institutional Shares, 2.09% (A)	

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(Cost \$14,114)	14,114
Total Investments - 99.2%	19,633,835
(Cost \$21,262,138)	
Other Assets in Excess of Liabilities: 0.8%	156,287
NET ASSETS: 100.0%	\$19,790,122

(A) The rate shown is the 7-day effective yield as of November 30, 2018.

CI—Class

GP—General Partner

LLC—Limited Liability Company

LP—Limited Partner

Summary of Investments by Sector	% of Investments	Value
Energy	99.9 %	\$19,619,721
Money Market Fund	0.1 %	14,114
	100.0%	\$19,633,835

As of November 30, 2018, all of the Fund's investments were considered Level 1, in accordance with the authoritative guidance under U.S. GAAP.

There were no transfers between levels during the year ended November 30, 2018.

The accompanying notes are an integral part of the financial statements.

VANECK VECTORS ETF TRUST

STATEMENTS OF ASSETS AND LIABILITIES

November 30, 2018

	High Income MLP ETF	High Income Infrastructure MLP ETF
Assets:		
Investments at value (1)	\$44,643,109	\$ 19,633,835
Receivable for investment securities sold	971,434	—
Income tax receivable	446,216	171,794
Dividends receivable	56,809	32
Receivable for franchise taxes	14,051	—
Receivable for capital shares sold	693	—
Total assets	46,132,312	19,805,661
Liabilities:		
Payable for capital shares redeemed	972,133	—
Due to custodian	37,232	—
Payable due to Adviser	32,092	13,608
Line of credit fees	212	—
Payable for franchise taxes	—	1,931
Total liabilities	1,041,669	15,539
NET ASSETS	\$45,090,643	\$ 19,790,122
Shares outstanding	2,319,161	1,650,000
Net asset value, redemption and offering price per share	\$ 19.44	\$ 11.99
Net assets consist of:		
Aggregate paid in capital	\$262,001,156	\$ 32,817,083
Total distributable earnings (loss)	(216,910,513)	(13,026,961)
Net assets	\$45,090,643	\$ 19,790,122
(1) Cost of investments	\$42,539,640	\$ 21,262,138

The accompanying notes are an integral part of the financial statements.

VANECK VECTORS ETF TRUST

STATEMENTS OF OPERATIONS

For the Year Ended November 30, 2018

	High Income MLP ETF	High Income Infrastructure MLP ETF
Income:		
Dividends	\$ 1,274,575	\$ 141,322
Distributions from master limited partnerships	4,136,940	1,648,788
Less: Return of capital distributions	(4,923,468)	(1,765,013)
Interest	—	10,887
Total income	488,047	35,984
Expenses:		
Management fees	461,201	177,110
Interest expense	1,717	848
Franchise taxes	11,960	(3,592)
Total expenses	474,878	174,366
Net investment income (loss), before taxes	13,169	(138,382)
Income tax benefit/(expense), net of valuation allowance	63,434	(3,220)
Net investment income (loss), net of taxes	76,603	(141,602)
Net realized gain (loss) on:		
Investments	(2,130,647)	(23,726)
Net realized loss on investments	(2,130,647)	(23,726)
Net change in unrealized appreciation (depreciation) on:		
Investments	(1,285,104)	162,628
Net change in unrealized appreciation (depreciation) on investments	(1,285,104)	162,628
Net decrease in net assets resulting from operations	\$(3,339,148)	\$ (2,700)

The accompanying notes are an integral part of the financial statements.

VANECK VECTORS ETF TRUST

STATEMENTS OF CHANGES IN NET ASSETS

	High Income MLP ETF		High Income Infrastructure MLP ETF	
	Year Ended November 30, 2018	Year Ended November 30, 2017	Year Ended November 30, 2018	Year Ended November 30, 2017
Operations:				
Net investment income (loss), net of taxes	\$76,603	\$451,573	\$(141,602)	\$(270,782)
Net realized loss on investments	(2,130,647)	(11,082,966)	(23,726)	(285,110)
Net change in unrealized appreciation (depreciation) on investments	(1,285,104)	9,028,831	162,628	(1,551,088)
Net decrease in net assets resulting from operations	(3,339,148)	(1,602,562)	(2,700)	(2,106,980)
Distributions (1)				
Return of capital	(4,890,172)	(6,425,630)	(1,590,500)	(2,151,045)
Share transactions:**				
Proceeds from sale of shares	2,236,285	—	690,640	3,233,658
Cost of shares redeemed	(13,281,849)	(22,169,366)	(2,652,209)	(10,700,387)
Decrease in net assets from share transactions	(11,045,564)	(22,169,366)	(1,961,569)	(7,466,729)
Total decrease in net assets	(19,274,884)	(30,197,558)	(3,554,769)	(11,724,754)
Net assets, beginning of year	64,365,527	94,563,085	23,344,891	35,069,645
Net assets, end of year (2)	\$45,090,643	\$64,365,527	\$19,790,122	\$23,344,891
**Shares of common stock issued (no par value)				
Shares sold	100,000	—	50,000	200,000
Shares redeemed	(600,000)	(900,000)	(200,000)	(750,000)
Net decrease	(500,000)	(900,000)	(150,000)	(550,000)

(1) Current year and prior year presentation of distributions conforms with S-X Disclosure Simplification.

Includes distributions in excess of net investment income or \$(26,852,371) and \$(3,485,795), in 2017. S-X

(2) Disclosure Simplification eliminated the requirement to disclose distributions in excess of net investment income in 2018 (See Note 12).

The accompanying notes are an integral part of the financial statements.

VANECK VECTORS ETF TRUST

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each year:

	High Income MLP ETF				
	For the Years Ended November 30,				
	2018	2017	2016#	2015#	2014#
Net asset value, beginning of year	\$22.83	\$25.43	\$31.30	\$74.05	\$89.95
Income from investment operations:					
Net investment income (loss)*	0.03	0.14	(0.02)	0.10	(0.20)
Return of capital*	1.95	1.88	0.75	5.75	7.20
Net realized and unrealized gain (loss) on investments	(3.43)	(2.63)	(4.06)	(41.90)	(15.15)
Total from investment operations	(1.45)	(0.61)	(3.33)	(36.05)	(8.15)
Less distribution from:					
Net investment income	—	—	—	—	(1.40)
Return of capital	(1.94)	(1.99)	(2.54)	(6.70)	(6.35)
Total distributions	(1.94)	(1.99)	(2.54)	(6.70)	(7.75)
Net asset value, end of year	\$19.44	\$22.83	\$25.43	\$31.30	\$74.05
Total return (a)	(7.16)%	(2.67)%	(8.40)%	(51.42)%	(10.17)%
Ratios/Supplemental Data					
Net assets, end of year (000's)	\$45,091	\$64,366	\$94,563	\$124,034	\$285,134
Ratio of expenses, excluding income tax benefit/(expense), to average net assets	0.84 % (b)	0.82 % (b)	0.88 % (b)	0.85 % (b)	0.83 % (b)
Ratio of total expenses to average net assets	0.73 %	0.86 %	0.88 %	0.56 %	(1.34)%
Ratio of net investment income/(loss) excluding income tax benefit/(expense) to average net assets	0.02 %	0.59 %	(0.34)%	(0.10)%	(0.23)%
Ratio of net investment income/(loss) to average net assets (c)	0.13 %	0.55 %	(0.34)%	0.19 %	(0.19)%
Portfolio turnover rate (d)	34 %	40 %	46 %	62 %	44 %

The financial highlights include the financial information of the Predecessor Funds through February 21, 2016 (See Note 1).

On June 29, 2016, the Fund effected a 1 for 5 reverse share split (See Note 9). Per share data has been adjusted to reflect the share split.

* Per share data calculated using average shares method.

(a) Total return is calculated assuming an initial investment made at the net asset value at the beginning of period, reinvestment of any dividends and distributions at net asset value on the dividend/distributions payment date (ex-date for periods prior to February 21, 2016) and a redemption at the net asset value on the last day of the period. The return does not reflect the deduction of taxes that a shareholder would pay on Fund

dividends/distributions or the redemption of Fund shares.

(b) Includes franchise tax expenses. Without franchise tax expenses, the net ratio would be 0.82%.

(c) Income tax benefit/(expense) for the ratio calculation is derived from net investment income (loss) only.

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

The accompanying notes are an integral part of the financial statements.

FINANCIAL HIGHLIGHTS

For a share outstanding throughout each year:

	High Income Infrastructure MLP ETF									
	For the Years Ended November 30,									
	2018	2017	2016	2015	2014					
Net asset value, beginning of year	\$12.97	\$14.92	\$13.36	\$21.75	\$21.15					
Income from investment operations:										
Net investment income *	(0.09)	(0.12)	(0.25)	(0.10)	(0.12)					
Return of capital *	1.06	1.07	1.17	1.22	1.27					
Net realized and unrealized gain (loss) on investments	(0.99)	(1.91)	1.77	(8.31)	1.01					
Total from investment operations	(0.02)	(0.96)	2.69	(7.19)	2.16					
Less distribution from:										
Net investment income	—	—	—	—	(0.72)					
Return of capital	(0.96)	(0.99)	(1.13)	(1.20)	(0.84)					
Total distributions	(0.96)	(0.99)	(1.13)	(1.20)	(1.56)					
Net asset value, end of year	\$11.99	\$12.97	\$14.92	\$13.36	\$21.75					
Total return (a)	(0.53)%	(6.91)%	22.08 %	(34.18)%	10.53 %					
Ratios/Supplemental Data										
Net assets, end of year (000's)	\$19,790	\$23,345	\$35,070	\$34,056	\$46,760					
Ratio of expenses, excluding income tax benefit/(expense), to average net assets	0.81 %	(b) 0.83 %	(b) 0.82 %	0.84 %	(b) 0.84 %	(b)	0.84 %	(b)	0.84 %	(b)
Ratio of total expenses to average net assets	0.82 %	0.87 %	0.71 %	(4.69)%	5.91 %					
Ratio of net investment income/(loss) excluding income tax benefit/(expense) to average net assets	(0.64)%	(0.76)%	(0.82)%	(0.84)%	(0.84)%					
Ratio of net investment income/(loss) to average net assets (c)	(0.65)%	(0.80)%	(1.85)%	(0.54)%	(0.54)%					
Portfolio turnover rate (d)	52 %	53 %	42 %	38 %	47 %					

The financial highlights include the financial information of the Predecessor Funds through February 21, 2016 (See Note 1).

* Per share data calculated using average shares method.

Total return is calculated assuming an initial investment made at the net asset value at the beginning of period, reinvestment of any dividends and distributions at net asset value on the dividend/distributions payment date (a) (ex-date for periods prior to February 21, 2016) and a redemption at the net asset value on the last day of the period. The return does not reflect the deduction of taxes that a shareholder would pay on Fund dividends/distributions or the redemption of Fund shares.

(b) Includes franchise tax expenses. Without franchise tax expenses, the net ratio would be 0.82%

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(c) Income tax benefit/(expense) for the ratio calculation is derived from net investment income (loss) only.

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

The accompanying notes are an integral part of the financial statements.

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VANECK VECTORS ETF TRUST

NOTES TO FINANCIALS

November 30, 2018

Note 1—Fund Organization—VanEck Vectors ETF Trust (the “Trust”) is registered under the Investment Company Act of 1940, as amended, as an open-end management investment company. The Trust was incorporated in Delaware as a statutory trust on March 15, 2001. The Trust operates as a series fund, and as of November 30, 2018, offers fifty-eight investment portfolios, each of which represents a separate series of the Trust.

The financial statements herein relate to the following funds: the High Income MLP ETF and the High Income Infrastructure MLP ETF (each a “Fund”, and collectively the “Funds”). The High Income MLP ETF seeks to provide investment results that correspond generally to the performance, before fees and expenses, of the Solactive High Income MLP Index (the “Index”). The High Income Infrastructure MLP ETF seeks to provide investment results that correspond generally to the performance, before fees and expenses, of the Solactive High Income Infrastructure MLP Index (the “Infrastructure Index”). Each Fund is classified as “non-diversified”. This means that the Funds may invest more of their assets in securities of a single issuer than that of a diversified fund. Van Eck Associates Corporation (the “Adviser”) serves as the investment adviser for the Funds and is subject to the supervision of the Board of Trustees (the “Board”).

On February 22, 2016, the shareholders of the Yorkville High Income MLP ETF and Yorkville High Income Infrastructure MLP ETF (the “Predecessor Funds”) approved a proposed agreement and plan of reorganization (the “Reorganization”) that provided for (a) the transfer of all the assets and assumption of certain of the liabilities of the Predecessor Funds, (b) the issuance of shares of the Funds to the shareholders of the Predecessor Funds; and (c) the liquidation and termination of the Predecessor Funds. The effective date of the Reorganization was February 22, 2016. The Predecessor Funds had substantially similar investment objectives, investment strategies, policies and restrictions as those of the Funds. The financial statements and financial highlights include the financial information of the Predecessor Funds through February 21, 2016.

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

The Funds are investment companies and are following accounting and reporting requirements of Accounting Standards Codification (“ASC”) 946 Financial Services—Investment Companies.

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

Return of Capital Estimates—Distributions received by the Funds generally are comprised of income and return of capital. Each Fund records investment income and return of capital based on estimates made at the time such distributions are received. Such estimates are based on historical information available to the Funds and other industry sources. These estimates may subsequently be revised based on information received from Master Limited Partnerships (“MLP”) after their tax reporting periods are concluded.

Master Limited Partnerships—Entities commonly referred to as “MLPs” are generally organized under state law as limited partnerships or limited liability companies. The Funds intend to primarily invest in MLPs receiving partnership taxation treatment under the Internal Revenue Code of 1986 (the “Code”), and whose interests or “units” are traded on securities exchanges like shares of corporate stock. To be treated as a partnership for U.S. federal income tax purposes, an MLP whose units are traded on a securities exchange must receive at least 90% of its income from qualifying sources such as interest, dividends, real estate rents, gain from the sale or disposition of real property, income and gain from mineral or natural resources activities, income and gain from the transportation or storage of certain fuels, and, in certain circumstances, income and gain from commodities or futures, forwards and options with respect to commodities. Mineral or natural resources activities include exploration, development, production, processing, mining, refining, marketing and transportation (including pipelines) of oil and gas, minerals, geothermal energy, fertilizer, timber or industrial source carbon dioxide. An MLP consists of a general partner and limited partners (or in the case of MLPs organized as limited liability companies, a managing member and members). The general partner or managing member typically controls the operations and management of the MLP and has an ownership stake in the partnership. The limited partners or members, through their ownership of limited partner or member interests, provide capital to the entity, are intended to have no role in the operation and management of the entity and receive cash distributions. The MLPs themselves generally do not pay U.S. federal income taxes (although some states do impose a net income tax on partnerships). Thus, unlike investors in corporate securities, direct MLP investors are generally not subject to double taxation (i.e., corporate level tax and tax on corporate dividends).

Security Valuation—The Funds value their investments in securities and other assets and liabilities carried at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. Securities traded on national exchanges or traded on the NASDAQ National Market System are valued at the last sales price as reported at the close of each business day. Securities traded on the NASDAQ Stock Market are valued at the NASDAQ official closing price.

Over-the-counter securities not included in the NASDAQ National Market System and listed securities for which no sale was reported are valued at the mean of the bid and ask prices. To the extent these securities are actively traded they are categorized as Level 1 in the fair value hierarchy (described below). Short-term obligations with sixty days or less to maturity are valued at amortized cost, which with accrued interest approximates fair value.

C. Money market fund investments are valued at net asset value and are considered to be Level 1 in the fair value hierarchy. The Pricing Committee of the Adviser provides oversight of the Funds' valuation policies and procedures, which are approved by the Funds' Board of Trustees. Among other things, these procedures allow the Funds to utilize independent pricing services, quotations from securities dealers, and other market sources to determine fair value. The Pricing Committee convenes regularly to review the fair value of financial instruments or other assets. If market quotations for a security or other asset is not readily available, or if the Adviser believes it does not otherwise reflect the fair value of a security or asset, the security or asset will be fair valued by the Pricing Committee in accordance with the Funds' valuation policies and procedures. The Pricing Committee employs various methods for calibrating the valuation approaches utilized to determine fair value, including a regular review of key inputs and assumptions, periodic comparisons to valuations provided by other independent pricing services, transactional back-testing and disposition analysis.

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

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

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

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

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

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

located in the Schedules of Investments.

Federal and Other Income Taxes—Each Fund intends to invest primarily in MLPs, which generally are treated as qualified publicly traded partnerships for federal income tax purposes. Accordingly, the Funds do not intend to qualify, and will not qualify as a regulated investment company pursuant to Subchapter M of the Internal Revenue Code due to the Funds' concentration in MLP securities and are taxed as regular C-corporations. As a regular D.C-corporation, each Fund is obligated to pay federal, state and local income tax on its taxable income. High Income Infrastructure MLP ETF is currently using an estimated 23.59% tax rate for federal, state and local tax which is composed of a 21% federal tax rate and an assumed 2.59% rate attributable to state taxes (net of federal benefit). High Income MLP ETF is currently using an estimated 24.30% tax rate for federal, state and local tax which is composed of a 21% federal tax rate and an assumed 3.30% state tax rate (net of federal benefit).

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VANECK VECTORS ETF TRUST

NOTES TO FINANCIALS

(continued)

The Tax Cuts and Jobs Act (“the Act”) was signed into law on December 22, 2017. The Act included changes to the corporate income tax rate and alternative minimum tax (AMT) and modifications to the net operating loss (NOL) deduction. Prior to enactment, the highest marginal federal income tax rate was 35%. The Act reduced the corporate rate to a flat income tax rate of 21%.

For the tax year ending November 30, 2018, the Funds may still be subject to a 20% federal alternative minimum tax on their federal alternative taxable income to the extent that their alternative minimum tax exceeds regular federal income tax. However, for tax years beginning after December 31, 2017, corporations are no longer subject to AMT and AMT Credit Carryforwards from previous taxable years may be utilized as refundable credits.

Under previous law, a corporation could offset 100% of its regular taxable income with an NOL carryforward. NOLs could generally be carried back 2 years or forward 20 years. For NOLs generated in tax years ending after December 31, 2017, the Act eliminates carrybacks for NOLs and creates an indefinite carryforward period. However, there is currently proposed tax legislation that, if enacted, would change the effective date of these changes to tax years beginning after December 31, 2017. In addition, after 2017 the corporate NOL deduction for a given year is now limited to the lesser of all NOL carryovers and carrybacks or 80% of taxable income computed without regard to the NOL deduction.

As a consequence of being taxed as a C-corporation, the Funds will be obligated to pay applicable federal and state corporate income taxes on their taxable income as opposed to most other investment companies which are not so obligated. The Funds expect that a portion of the distributions they receive from MLPs will be treated as a tax deferred return of capital, thus reducing the Funds’ current tax liabilities and increasing the Funds’ deferred tax liabilities. However, the amount of taxes currently payable by the Funds will vary depending on the amount of income and gains derived from investments and/or sales of MLP interests and such taxes will reduce your return from an investment in the Funds.

Cash distributions from MLPs to the Funds that exceed such Funds’ allocable share of such MLP’s net taxable income are considered a tax-deferred return of capital that will reduce the Funds’ adjusted tax basis in the equity securities of the MLP. These reductions in such Funds’ adjusted tax basis in the MLP equity securities will increase the amount of gain (or decrease the amount of loss) recognized by the Funds on a subsequent sale of the securities. The Funds will accrue deferred income taxes for any future tax liabilities associated with (a) that portion of MLP distributions considered to be a tax-deferred return of capital as well as (b) capital appreciation on their investments. Upon the sale of an MLP security, the Funds will rely to some extent on information provided by the MLPs, which is not necessarily timely, or accurate, to estimate deferred tax liabilities for purposes of financial statement reporting and determining NAV of the Funds. From time to time, the Funds will modify the estimates or assumptions related to the Funds’

deferred tax liabilities as new information becomes available.

Since the Funds will be subject to taxation on their taxable income, the NAV of the Funds' shares will also be reduced by the accrual of any current or deferred tax liabilities. The Index and Infrastructure Index (the "Indices") however are calculated without any adjustments for taxes. As a result, the Funds' after tax performance could differ significantly from the Indices even if the pretax performance of the Funds and the performance of the Indices are closely correlated.

The tax expense or benefits attributable to certain components of income will be included in the Statements of Operations. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for federal income tax purposes. Deferred tax assets and liabilities are calculated utilizing effective tax rates expected to be applied to taxable income in the years the temporary differences are realized or settled. A valuation allowance will be recognized if, based on the available evidence, it is more likely than not that some or all of the deferred tax asset will not be realizable. In the assessment for a valuation allowance, consideration is given to all positive and negative evidence related to the realization of the deferred tax asset. This assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability (which are highly dependent on cash distributions from the Funds' MLP holdings), the duration of statutory carryforward periods and the associated risk that operating and capital loss carryforwards may expire unused. The Funds' policy is to classify interest and penalties associated with underpayment of federal and state income taxes, if any, as income tax expense on their Statements of Operations.

Dividends and Distributions to Shareholders—On a quarterly basis, each Fund distributes substantially all of its dividends and distributions received less Fund expenses. All distributions are recorded on ex-dividend date. The estimated characterization of the distributions paid will be either an ordinary income or return of capital distribution. The Funds anticipate that 100% of their current year distributions will be treated as return of capital.

E. The actual tax characterization of the distributions made during the current year will not be determined until after the end of the fiscal year when the Funds can determine their earnings and profits and, therefore, may differ from the preliminary estimates. The Funds will inform shareholders of the final tax character of the distributions on IRS Form 1099-DIV in February 2019.

Other—Security transactions are accounted for on trade date. Transactions in certain securities may take longer than the customary settlement cycle to be completed. The counterparty is required to collateralize such trades with cash

F. in excess of the market value of the transaction, which is held at the custodian and marked to market daily. Realized gains and losses are calculated on the identified cost basis. Dividend income is recorded on the ex-dividend date. Interest income, including amortization of premiums and discounts, is accrued as earned.

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