



VanEck Investments Limited  
ABN 22 146 596 116, AFSL 416755  
Aurora Place, Level 4  
88 Phillip Street, Sydney NSW 2000  
[www.vaneck.com.au](http://www.vaneck.com.au)

14 March 2019

ASX Limited  
Market Announcements Office

## HALF-YEAR FINANCIAL REPORT

[FOR RELEASE UNDER EACH ASX CODE LISTED BELOW]

VanEck Investments Limited announces the attached *VanEck Australian Equity ETFs Interim report for the half-year ended 31 December 2018* which covers the following exchange traded funds listed in the table below:

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

### For more information:

- Call 1300 68 38 37
- Go to [vaneck.com.au](http://vaneck.com.au)

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

# **VanEck Australian Equity ETFs**

## **Interim report**

### **For the half-year ended 31 December 2018**

This interim financial report covers the following VanEck Australian Equity ETFs:

**VanEck Vectors S&P/ASX Franked Dividend ETF**

ARSN 611 368 499

**VanEck Vectors Australian Property ETF**

ARSN 165 151 771

**VanEck Vectors Australian Banks ETF**

ARSN 165 150 854

**VanEck Vectors S&P/ASX MidCap ETF**

ARSN 165 153 944

**VanEck Vectors Australian Resources ETF**

ARSN 165 153 695

**VanEck Vectors Small Companies Masters ETF**

ARSN 605 328 087

**VanEck Vectors Australian Equal Weight ETF**

ARSN 167 523 211

# **VanEck Australian Equity ETFs**

## **Interim report**

### **For the half-year ended 31 December 2018**

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

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

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

## Directors' report

The directors of VanEck Investments Limited (ACN 146 596 116), the Responsible Entity of VanEck Vectors S&P/ASX Franked Dividend ETF, VanEck Vectors Australian Property ETF, VanEck Vectors Australian Banks ETF, VanEck Vectors S&P/ASX Midcap ETF, VanEck Vectors Australian Resources ETF, VanEck Vectors Small Companies Masters ETF, VanEck Vectors Australian Equal Weight ETF (the "Funds"), present their report together with the financial statements of the Funds for the half-year ended 31 December 2018.

### Principal activities

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

VanEck Vectors S&P/ASX Franked Dividend ETF invests in Australian listed equities that have paid out a fully franked dividends in the past two years in accordance with the product disclosure statement of the Fund and the Fund's Constitution.

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

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

VanEck Vectors S&P/ASX Midcap ETF invests in to capture the performance of the market capitalisation ranking of 51-100 Midcap ASX-listed companies in accordance with the provisions of the product disclosure statement of the Fund and the Fund's Constitution.

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

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

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

The Funds did not have any employees during the half-year.

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

### Directors

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

Jan van Eck  
Bruce Smith  
Arian Neiron  
Michael Brown  
Jonathan Simon

## Directors' report (continued)

### Review and results of operations

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

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

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

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

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

VanEck Vectors Australian Resources ETF generally invests in the securities that are constituents of the MVIS Australia 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.

### Results

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

	<b>VanEck Vectors S&amp;P/ASX Franked Dividend ETF</b>		<b>VanEck Vectors Australian Property ETF</b>	
	<b>Half-year ended</b>		<b>Half-year ended</b>	
	<b>31 December 2018</b>	<b>31 December 2017</b>	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$'000</b>	<b>\$'000</b>
Operating profit/(loss) before finance costs attributable to unitholders	<u>(161,999)</u>	<u>257,914</u>	<u>5,423</u>	<u>6,727</u>
Distribution to unitholders	<u>140,142</u>	<u>130,796</u>	<u>3,504</u>	<u>2,137</u>
Distribution (cents per unit - CPU)	<u>74.00</u>	<u>81.51</u>	<u>54.00</u>	<u>58.00</u>

## Directors' report (continued)

### Review and results of operations (continued)

	<b>VanEck Vectors Australian Banks ETF</b>		<b>VanEck Vectors S&amp;P/ASX MidCap ETF</b>	
	<b>Half-year ended</b>		<b>Half-year ended</b>	
	<b>31 December 2018</b>	<b>31 December 2017</b>	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Operating profit/(loss) before finance costs attributable to unitholders	<u>(2,997)</u>	<u>1,335</u>	<u>(10,537)</u>	<u>5,479</u>
Distribution to unitholders	<u>1,991</u>	<u>803</u>	<u>2,035</u>	<u>1,004</u>
Distribution (cents per unit - CPU)	<u>135.00</u>	<u>78.00</u>	<u>56.00</u>	<u>45.00</u>

	<b>VanEck Vectors Australian Resources ETF</b>		<b>VanEck Vectors Small Companies Masters ETF</b>	
	<b>Half-year ended</b>		<b>Half-year ended</b>	
	<b>31 December 2018</b>	<b>31 December 2017</b>	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Operating profit/(loss) before finance costs attributable to unitholders	<u>(5,824)</u>	<u>6,818</u>	<u>(7,004)</u>	<u>6,917</u>
Distribution to unitholders	<u>1,000</u>	<u>720</u>	<u>931</u>	<u>1,219</u>
Distribution (cents per unit - CPU)	<u>50.00</u>	<u>48.00</u>	<u>31.00</u>	<u>35.00</u>

	<b>VanEck Vectors Australian Equal Weight ETF</b>	
	<b>Half-year ended</b>	
	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Operating profit/(loss) before finance costs attributable to unitholders	<u>(47,134)</u>	<u>33,096</u>
Distribution to unitholders	<u>12,980</u>	<u>8,025</u>
Distribution (cents per unit - CPU)	<u>56.00</u>	<u>54.00</u>

## **Directors' report (continued)**

### **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 half-year.

### **Matters subsequent to the end of the financial half-year**

No matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect:

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

### **Likely developments and expected results of operations**

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

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

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

### **Indemnity and insurance of officers**

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

### **Indemnity of auditors**

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

### **Proceedings on behalf of the Funds**

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

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

### **Environmental regulation**

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

## Directors' report (continued)

### 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  
8 March 2019



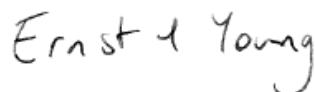
## Auditor's Independence Declaration to the Directors of VanEck Investments Limited, as Responsible Entity for VanEck Australian Equity ETFs

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

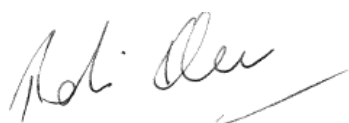
- ▶ VanEck Vectors S&P/ASX Franked Dividend ETF
- ▶ VanEck Vectors Australian Property ETF
- ▶ VanEck Vectors Australian Banks ETF
- ▶ VanEck Vectors S&P/ASX MidCap ETF
- ▶ VanEck Vectors Australian Resources ETF
- ▶ VanEck Vectors Small Companies Masters ETF
- ▶ VanEck Vectors Australian Equal Weight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

As lead auditor for the review of the Funds above for the half-year ended 31 December 2018, I declare to the best of my knowledge and belief, there have been:

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



Ernst & Young



Rohit Khanna  
Partner  
Sydney  
8 March 2019

## Statements of comprehensive income

	VanEck Vectors S&P/ASX Franked Dividend ETF		VanEck Vectors Australian Property ETF	
	Half-year ended		Half-year ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	\$	\$	\$'000	\$'000
<b>Investment income</b>				
Dividend and distribution income	111,988	96,598	3,547	1,736
Net gains/(losses) on financial instruments at fair value through profit or loss	(265,946)	169,373	2,130	5,126
<b>Total investment income/(loss)</b>	<b>(153,958)</b>	<b>265,971</b>	<b>5,677</b>	<b>6,862</b>
<b>Expenses</b>				
Management fees	7,513	6,745	225	123
Transaction costs	172	33	6	1
Other expenses	356	1,279	23	11
<b>Total operating expenses</b>	<b>8,041</b>	<b>8,057</b>	<b>254</b>	<b>135</b>
<b>Profit/(loss) for the half-year</b>	<b>(161,999)</b>	<b>257,914</b>	<b>5,423</b>	<b>6,727</b>
Other comprehensive income for the half-year	-	-	-	-
<b>Total comprehensive income for the half-year</b>	<b>(161,999)</b>	<b>257,914</b>	<b>5,423</b>	<b>6,727</b>

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

**Statements of comprehensive income (continued)**

	VanEck Vectors Australian Banks ETF		VanEck Vectors S&P/ASX MidCap ETF	
	Half-year ended		Half-year ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	\$'000	\$'000	\$'000	\$'000
<b>Investment income</b>				
Dividend and distribution income	1,207	801	1,657	889
Net gains/(losses) on financial instruments at fair value through profit or loss	(4,145)	578	(11,966)	4,705
<b>Total investment income/(loss)</b>	<b>(2,938)</b>	<b>1,379</b>	<b>(10,309)</b>	<b>5,594</b>
<b>Expenses</b>				
Management fees	53	40	211	110
Transaction costs	1	1	10	1
Dividend withholding tax	-	-	3	2
Other expenses	5	3	4	2
<b>Total operating expenses</b>	<b>59</b>	<b>44</b>	<b>228</b>	<b>115</b>
<b>Profit/(loss) for the half-year</b>	<b>(2,997)</b>	<b>1,335</b>	<b>(10,537)</b>	<b>5,479</b>
Other comprehensive income for the half-year	-	-	-	-
<b>Total comprehensive income for the half-year</b>	<b>(2,997)</b>	<b>1,335</b>	<b>(10,537)</b>	<b>5,479</b>

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

**Statements of comprehensive income (continued)**

	VanEck Vectors Australian Resources ETF		VanEck Vectors Small Companies Masters ETF	
	Half-year ended		Half-year ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	\$'000	\$'000	\$'000	\$'000
<b>Investment income</b>				
Dividend and distribution income	957	458	1,200	1,193
Net gains/(losses) on financial instruments at fair value through profit or loss	(6,673)	6,416	(8,063)	5,889
Other income	-	-	21	-
<b>Total investment income/(loss)</b>	<b>(5,716)</b>	<b>6,874</b>	<b>(6,842)</b>	<b>7,082</b>
<b>Expenses</b>				
Management fees	101	53	151	155
Transaction costs	3	1	5	3
Dividend withholding tax	-	-	1	1
Other expenses	4	2	5	6
<b>Total operating expenses</b>	<b>108</b>	<b>56</b>	<b>162</b>	<b>165</b>
<b>Profit/(loss) for the half-year</b>	<b>(5,824)</b>	<b>6,818</b>	<b>(7,004)</b>	<b>6,917</b>
Other comprehensive income for the half-year	-	-	-	-
<b>Total comprehensive income for the half-year</b>	<b>(5,824)</b>	<b>6,818</b>	<b>(7,004)</b>	<b>6,917</b>

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

**Statements of comprehensive income (continued)**

	<b>VanEck Vectors Australian Equal Weight ETF</b>	
	<b>Half-year ended</b>	
	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Investment income</b>		
Dividend and distribution income	12,305	6,498
Net gains/(losses) on financial instruments at fair value through profit or loss	(58,331)	27,222
<b>Total investment income/(loss)</b>	<b>(46,026)</b>	<b>33,720</b>
<b>Expenses</b>		
Management fees	1,049	582
Transaction costs	19	18
Other expenses	40	24
<b>Total operating expenses</b>	<b>1,108</b>	<b>624</b>
<b>Profit/(loss) for the half-year</b>	<b>(47,134)</b>	<b>33,096</b>
Other comprehensive income for the half-year	-	-
<b>Total comprehensive income for the half-year</b>	<b>(47,134)</b>	<b>33,096</b>

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

## Statements of financial position

	Notes	VanEck Vectors S&P/ASX Franked Dividend ETF		VanEck Vectors Australian Property ETF	
		As at		As at	
		31 December 2018	30 June 2018	31 December 2018	30 June 2018
		\$	\$	\$'000	\$'000
<b>Assets</b>					
Cash and cash equivalents		3,223	-	36	35
Due from brokers - receivable for securities sold		-	-	-	1,850
Receivables		4,104	34,149	3,233	2,691
Financial assets at fair value through profit or loss	4	<u>6,299,358</u>	<u>3,901,590</u>	<u>139,293</u>	<u>116,611</u>
<b>Total assets</b>		<u>6,306,685</u>	<u>3,935,739</u>	<u>142,562</u>	<u>121,187</u>
<b>Liabilities</b>					
Bank overdraft		97	30,498	3,158	2,625
Payables		5,894	5,363	41	39
Distributions payable	6	<u>48,021</u>	<u>4,847</u>	<u>3,504</u>	<u>2,428</u>
<b>Total liabilities</b>		<u>54,012</u>	<u>40,708</u>	<u>6,703</u>	<u>5,092</u>
<b>Equity</b>		<u>6,252,673</u>	<u>3,895,031</u>	<u>135,859</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	
		31 December 2018 \$'000	30 June 2018 \$'000	31 December 2018 \$'000	30 June 2018 \$'000
<b>Assets</b>					
Cash and cash equivalents		30	-	106	14
Receivables		9	724	44	2,986
Financial assets at fair value through profit or loss	4	<u>39,912</u>	<u>35,225</u>	<u>91,321</u>	<u>88,449</u>
<b>Total assets</b>		<u>39,951</u>	<u>35,949</u>	<u>91,471</u>	<u>91,449</u>
<b>Liabilities</b>					
Bank overdraft		-	712	-	92
Due to broker - payable for securities purchased		-	-	-	2,833
Payables		19	16	36	37
Distributions payable	6	<u>1,243</u>	<u>38</u>	<u>2,035</u>	<u>627</u>
<b>Total liabilities</b>		<u>1,262</u>	<u>766</u>	<u>2,071</u>	<u>3,589</u>
<b>Equity</b>		<u>38,689</u>	<u>35,183</u>	<u>89,400</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	
		31 December 2018	30 June 2018	31 December 2018	30 June 2018
		\$'000	\$'000	\$'000	\$'000
<b>Assets</b>					
Cash and cash equivalents		15	9	36	173
Due from brokers - receivable for securities sold		-	-	-	655
Receivables		2	1,389	214	334
Financial assets at fair value through profit or loss	4	<u>49,062</u>	<u>96,501</u>	<u>54,873</u>	<u>69,684</u>
<b>Total assets</b>		<u>49,079</u>	<u>97,899</u>	<u>55,123</u>	<u>70,846</u>
<b>Liabilities</b>					
Bank overdraft		-	42	212	338
Due to broker - payable for securities purchased		-	1,342	-	148
Payables		15	29	23	29
Distributions payable	6	<u>1,000</u>	<u>432</u>	<u>931</u>	<u>1,042</u>
<b>Total liabilities</b>		<u>1,015</u>	<u>1,845</u>	<u>1,166</u>	<u>1,557</u>
<b>Equity</b>		<u>48,064</u>	<u>96,054</u>	<u>53,957</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)**

		<b>VanEck Vectors Australian Equal Weight ETF</b>	
		<b>As at</b>	
		<b>31 December 2018</b>	<b>30 June 2018</b>
	Notes	<b>\$'000</b>	<b>\$'000</b>
<b>Assets</b>			
Cash and cash equivalents		121	88
Due from brokers - receivable for securities sold		-	1,091
Receivables		1,629	2,614
Financial assets at fair value through profit or loss	4	<u>610,742</u>	<u>522,258</u>
<b>Total assets</b>		<u>612,492</u>	<u>526,051</u>
<b>Liabilities</b>			
Bank overdraft		1,589	2,562
Payables		195	186
Distributions payable	6	<u>12,980</u>	<u>4,214</u>
<b>Total liabilities</b>		<u>14,764</u>	<u>6,962</u>
<b>Equity</b>		<u>597,728</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 S&P/ASX Franked Dividend ETF Half-year ended		VanEck Vectors Australian Property ETF Half-year ended	
		31 December 2018	31 December 2017	31 December 2018	31 December 2017
		\$	\$	\$'000	\$'000
<b>Total equity at the beginning of the half-year</b>		<b>3,895,031</b>	3,723,516	<b>116,095</b>	58,658
Issue of redeemable participating units		<b>2,637,880</b>	7,960	<b>17,805</b>	12,352
Units issued upon reinvestment of distributions		<b>21,903</b>	-	<b>40</b>	31
Comprehensive income for the half-year		<b>(161,999)</b>	257,914	<b>5,423</b>	6,727
Distributions	6	<b>(140,142)</b>	(130,796)	<b>(3,504)</b>	(2,137)
<b>Total equity at the end of the half-year</b>		<b><u>6,252,673</u></b>	<u>3,858,594</u>	<b><u>135,859</u></b>	<u>75,631</u>

*Movement in units in issue are disclosed in note 5 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	
		Half-year ended		Half-year ended	
		31 December 2018	31 December 2017	31 December 2018	31 December 2017
		\$'000	\$'000	\$'000	\$'000
<b>Total equity at the beginning of the half-year</b>		<b>35,183</b>	26,530	<b>87,860</b>	33,558
Issue of redeemable participating units		<b>8,457</b>	1,125	<b>14,103</b>	23,286
Units issued upon reinvestment of distributions		<b>37</b>	129	<b>9</b>	13
Comprehensive income for the half-year		<b>(2,997)</b>	1,335	<b>(10,537)</b>	5,479
Distributions	6	<b>(1,991)</b>	(803)	<b>(2,035)</b>	(1,004)
<b>Total equity at the end of the half-year</b>		<b>38,689</b>	28,316	<b>89,400</b>	61,332

*Movement in units in issue are disclosed in note 5 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	
		Half-year ended		Half-year ended	
		31 December 2018	31 December 2017	31 December 2018	31 December 2017
		\$'000	\$'000	\$'000	\$'000
<b>Total equity at the beginning of the half-year</b>		<b>96,054</b>	25,852	<b>69,289</b>	55,974
Issue of redeemable participating units		<b>7,883</b>	4,791	-	6,693
Units issued upon reinvestment of distributions		<b>6</b>	6	<b>16</b>	14
Redemption of redeemable participating units		<b>(49,055)</b>	-	<b>(7,413)</b>	-
Comprehensive income for the half-year		<b>(5,824)</b>	6,818	<b>(7,004)</b>	6,917
Distributions	6	<b>(1,000)</b>	(720)	<b>(931)</b>	(1,219)
<b>Total equity at the end of the half-year</b>		<b>48,064</b>	36,747	<b>53,957</b>	68,379

*Movement in units in issue are disclosed in note 5 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)**

		<b>VanEck Vectors Australian Equal Weight ETF Half-year ended</b>	
		<b>31 December 2018</b>	31 December 2017
	Notes	<b>\$'000</b>	\$'000
<b>Total equity at the beginning of the half-year</b>		<b>519,089</b>	263,179
Issue of redeemable participating units		<b>138,582</b>	124,745
Units issued upon reinvestment of distributions		<b>171</b>	102
Comprehensive income for the half-year		<b>(47,134)</b>	33,096
Distributions	6	<b>(12,980)</b>	(8,025)
<b>Total equity at the end of the half-year</b>		<b>597,728</b>	413,097

*Movement in units in issue are disclosed in note 5 to the financial statements.*

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

## Statements of cash flows

	VanEck Vectors S&P/ASX Franked Dividend ETF		VanEck Vectors Australian Property ETF	
	Half-year ended		Half-year ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	\$	\$	\$'000	\$'000
<b>Cash flows from operating activities</b>				
Proceeds from sale of financial instruments at fair value through profit or loss	324,141	2,037,508	27,736	3,563
Purchase of financial instruments at fair value through profit or loss	(2,987,855)	(2,045,515)	(46,438)	(15,774)
Dividends and distributions received	142,051	121,721	3,002	1,547
Other income received	-	-	3	-
Management fees paid	(7,158)	(6,694)	(219)	(119)
Payment of other expenses	(370)	(4,265)	(33)	(14)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(2,529,191)</b>	<b>102,755</b>	<b>(15,949)</b>	<b>(10,797)</b>
<b>Cash flows from financing activities</b>				
Proceeds from applications by unitholders	2,637,880	7,960	17,805	12,352
Distributions paid	(75,065)	(88,667)	(2,388)	(1,728)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>2,562,815</b>	<b>(80,707)</b>	<b>15,417</b>	<b>10,624</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>33,624</b>	<b>22,048</b>	<b>(532)</b>	<b>(173)</b>
Cash and cash equivalents at the beginning of the half-year	(30,498)	(21,947)	(2,590)	(1,149)
<b>Cash and cash equivalents at the end of the half-year</b>	<b>3,126</b>	<b>101</b>	<b>(3,122)</b>	<b>(1,322)</b>

*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	
	Half-year ended		Half-year ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>				
Proceeds from sale of financial instruments at fair value through profit or loss	1,924	2,570	8,592	5,142
Purchase of financial instruments at fair value through profit or loss	(10,756)	(3,028)	(26,263)	(28,596)
Dividends and distributions received	1,922	1,416	1,761	894
Other income received	-	-	2	-
Management fees paid	(51)	(39)	(208)	(99)
Payment of other expenses	(5)	(4)	(18)	(6)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(6,966)</b>	<b>915</b>	<b>(16,134)</b>	<b>(22,665)</b>
<b>Cash flows from financing activities</b>				
Proceeds from applications by unitholders	8,457	1,125	16,936	23,286
Distributions paid	(749)	(1,414)	(618)	(733)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>7,708</b>	<b>(289)</b>	<b>16,318</b>	<b>22,553</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>742</b>	<b>626</b>	<b>184</b>	<b>(112)</b>
Cash and cash equivalents at the beginning of the half-year	(712)	(611)	(78)	118
<b>Cash and cash equivalents at the end of the half-year</b>	<b>30</b>	<b>15</b>	<b>106</b>	<b>6</b>

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

**Statements of cash flows (continued)**

	VanEck Vectors Australian Resources ETF Half-year ended		VanEck Vectors Small Companies Masters ETF Half-year ended	
	31 December 2018 \$'000	31 December 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000
<b>Cash flows from operating activities</b>				
Proceeds from sale of financial instruments at fair value through profit or loss	54,666	3,735	23,436	11,916
Purchase of financial instruments at fair value through profit or loss	(15,242)	(8,613)	(16,181)	(18,798)
Dividends and distributions received	999	473	1,319	1,235
Other income received	3	-	21	-
Management fees paid	(114)	(51)	(157)	(150)
Payment of other expenses	(8)	(4)	(10)	(12)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>40,304</b>	<b>(4,460)</b>	<b>8,428</b>	<b>(5,809)</b>
<b>Cash flows from financing activities</b>				
Proceeds from applications by unitholders	9,225	4,791	-	6,693
Payments for redemptions by unitholders	(49,055)	-	(7,413)	-
Distributions paid	(426)	(308)	(1,026)	(835)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(40,256)</b>	<b>4,483</b>	<b>(8,439)</b>	<b>5,858</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>48</b>	<b>23</b>	<b>(11)</b>	<b>49</b>
Cash and cash equivalents at the beginning of the half-year	(33)	(13)	(165)	(193)
<b>Cash and cash equivalents at the end of the half-year</b>	<b>15</b>	<b>10</b>	<b>(176)</b>	<b>(144)</b>

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



**Statements of cash flows (continued)**

	<b>VanEck Vectors Australian Equal Weight ETF Half-year ended</b>	
	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Proceeds from sale of financial instruments at fair value through profit or loss	75,231	59,913
Purchase of financial instruments at fair value through profit or loss	(220,955)	(194,040)
Dividends and distributions received	13,278	6,628
Other income received	12	-
Management fees paid	(1,019)	(536)
Payment of other expenses	(80)	(54)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(133,533)</b>	<b>(128,089)</b>
<b>Cash flows from financing activities</b>		
Proceeds from applications by unitholders	138,582	131,391
Distributions paid	(4,043)	(3,110)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>134,539</b>	<b>128,281</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,006</b>	<b>192</b>
Cash and cash equivalents at the beginning of the half-year	(2,474)	(1,162)
<b>Cash and cash equivalents at the end of the half-year</b>	<b>(1,468)</b>	<b>(970)</b>

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

## Contents of the notes to the financial statements

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## 1 General information

These financial statements for the half-year ended 31 December 2018 cover the VanEck Vectors S&P/ASX Franked Dividend ETF, VanEck Vectors Australian Property ETF, VanEck Vectors Australian Banks ETF, VanEck Vectors S&P/ASX Midcap ETF, VanEck Vectors Australian Resources ETF, VanEck Vectors Small Companies Masters ETF, VanEck Vectors Australian Equal Weight ETF (the "Funds") as individual entities.

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

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

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

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

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

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

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

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

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

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

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

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

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

VanEck Vectors S&P/ASX Midcap ETF invests in to capture the performance of the market capitalisation ranking of 51-100 Midcap ASX-listed companies in accordance with the provisions of the product disclosure statement of the Fund and the Fund's Constitution.

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

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

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

The financial statements were authorised for issue by the directors on 8 March 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 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 AASB 134 *Interim Financial Reporting* and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001* in Australia. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 *Interim Financial Reporting*.

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.

These interim financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, these interim financial statements are to be read in conjunction with the Funds' annual report for the year ended 30 June 2018 and any public announcements made in respect of the Funds during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Comparative information has been revised where appropriate to enhance comparability. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period.

### (b) New accounting standards and interpretations

The accounting policies in these interim financial statements are the same as those applied in the Funds' financial statements for the year ended 30 June 2018.

The Funds apply, for the first time, AASB 9 Financial Instruments and AASB 15 Revenue from Contracts with Customers. The nature and effect of the restatement of previous financial statements as required by IAS 34, 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.

#### (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.

#### Assets

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.

## 2 Summary of significant accounting policies (continued)

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

#### (i) Classification and measurement (continued)

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.

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 Statement 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 3 to the financial statements.

#### (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 expect 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 statement of comprehensive income within distribution income when the Funds' right to receive payments is established.

#### (v) Restatement of comparatives

Where relevant, prior year comparatives have been restated to conform with current year presentation.

#### (vi) Derecognition

Accounting for derecognition of financial instruments remain unchanged from the requirements of AASB 139.

## 2 Summary of significant accounting policies (continued)

### (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 sources of income are dividends and distributions, and gains on financial instruments 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) Significant accounting judgements and estimates

The preparation of the Funds' financial statements requires management to make judgements, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

The significant accounting policies have been consistently applied in the current financial period and the comparative period, unless otherwise stated.

## 3 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 4)

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:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- 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 annual 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.

### 3 Fair value measurement (continued)

#### (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.

#### Recognised fair value measurements

The table below presents the Funds' financial assets measured at fair value according to the fair value hierarchy as at 31 December 2018 and 30 June 2018.

##### VanEck Vectors S&P/ASX Franked Dividend ETF

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>As at 31 December 2018</b>				
<b>Financial assets at fair value through profit or loss</b>				
Listed equities	<u>6,299,358</u>	<u>-</u>	<u>-</u>	<u>6,299,358</u>
<b>Total</b>	<u>6,299,358</u>	<u>-</u>	<u>-</u>	<u>6,299,358</u>
<b>As at 30 June 2018</b>				
<b>Financial assets at fair value through profit or loss</b>				
Listed equities	<u>3,901,590</u>	<u>-</u>	<u>-</u>	<u>3,901,590</u>
<b>Total</b>	<u>3,901,590</u>	<u>-</u>	<u>-</u>	<u>3,901,590</u>

### 3 Fair value measurement (continued)

#### Recognised fair value measurements (continued)

##### VanEck Vectors Australian Property ETF

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>As at 31 December 2018</b>				
<b>Financial assets at fair value through profit or loss</b>				
Unit trusts	<u>139,293</u>	<u>-</u>	<u>-</u>	<u>139,293</u>
<b>Total</b>	<u>139,293</u>	<u>-</u>	<u>-</u>	<u>139,293</u>

As at 30 June 2018

##### Financial assets at fair value through profit or loss

Unit trusts	<u>116,611</u>	<u>-</u>	<u>-</u>	<u>116,611</u>
<b>Total</b>	<u>116,611</u>	<u>-</u>	<u>-</u>	<u>116,611</u>

##### VanEck Vectors Australian Banks ETF

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>As at 31 December 2018</b>				
<b>Financial assets at fair value through profit or loss</b>				
Listed equities	<u>39,912</u>	<u>-</u>	<u>-</u>	<u>39,912</u>
<b>Total</b>	<u>39,912</u>	<u>-</u>	<u>-</u>	<u>39,912</u>

As at 30 June 2018

##### Financial assets at fair value through profit or loss

Listed equities	<u>35,225</u>	<u>-</u>	<u>-</u>	<u>35,225</u>
<b>Total</b>	<u>35,225</u>	<u>-</u>	<u>-</u>	<u>35,225</u>



### 3 Fair value measurement (continued)

#### Recognised fair value measurements (continued)

##### VanEck Vectors S&P/ASX MidCap ETF

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>As at 31 December 2018</b>				
<b>Financial assets at fair value through profit or loss</b>				
Listed equities	87,577	-	-	87,577
Unit trusts	3,744	-	-	3,744
<b>Total</b>	<b>91,321</b>	<b>-</b>	<b>-</b>	<b>91,321</b>

As at 30 June 2018

##### Financial assets at fair value through profit or loss

Listed equities	86,136	-	-	86,136
Unit trusts	2,313	-	-	2,313
<b>Total</b>	<b>88,449</b>	<b>-</b>	<b>-</b>	<b>88,449</b>

##### VanEck Vectors Australian Resources ETF

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>As at 31 December 2018</b>				
<b>Financial assets at fair value through profit or loss</b>				
Listed equities	49,062	-	-	49,062
<b>Total</b>	<b>49,062</b>	<b>-</b>	<b>-</b>	<b>49,062</b>

As at 30 June 2018

##### Financial assets at fair value through profit or loss

Listed equities	96,501	-	-	96,501
<b>Total</b>	<b>96,501</b>	<b>-</b>	<b>-</b>	<b>96,501</b>

### 3 Fair value measurement (continued)

#### Recognised fair value measurements (continued)

##### VanEck Vectors Small Companies Masters ETF

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>As at 31 December 2018</b>				
<b>Financial assets at fair value through profit or loss</b>				
Listed equities	47,162	-	-	47,162
Unit trusts	7,711	-	-	7,711
<b>Total</b>	<b>54,873</b>	<b>-</b>	<b>-</b>	<b>54,873</b>

As at 30 June 2018

##### Financial assets at fair value through profit or loss

Listed equities	60,490	-	-	60,490
Unit trusts	9,194	-	-	9,194
<b>Total</b>	<b>69,684</b>	<b>-</b>	<b>-</b>	<b>69,684</b>

##### VanEck Vectors Australian Equal Weight ETF

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>As at 31 December 2018</b>				
<b>Financial assets at fair value through profit or loss</b>				
Listed equities	563,328	-	-	563,328
Unit trusts	47,414	-	-	47,414
<b>Total</b>	<b>610,742</b>	<b>-</b>	<b>-</b>	<b>610,742</b>

As at 30 June 2018

##### Financial assets at fair value through profit or loss

Listed equities	474,156	-	-	474,156
Unit trusts	48,102	-	-	48,102
<b>Total</b>	<b>522,258</b>	<b>-</b>	<b>-</b>	<b>522,258</b>

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 half-year ended 31 December 2018 and year ended 30 June 2018. There were also no changes made to any of the valuation techniques applied as at 31 December 2018.

### 3 Fair value measurement (continued)

#### Recognised fair value measurements (continued)

(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 half-year ended 31 December 2018 or year ended 30 June 2018.

(iii) Fair values of other financial instruments

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

### 4 Financial assets at fair value through profit or loss

	VanEck Vectors S&P/ASX Franked Dividend ETF		VanEck Vectors Australian Property ETF	
	As at		As at	
	31 December 2018	30 June 2018	31 December 2018	30 June 2018
	\$	\$	\$'000	\$'000
<b>Financial assets at fair value through profit or loss</b>				
Listed equities	6,299,358	3,901,590	-	-
Unit trusts	-	-	139,293	116,611
<b>Total financial assets at fair value through profit or loss</b>	<b>6,299,358</b>	<b>3,901,590</b>	<b>139,293</b>	<b>116,611</b>

	VanEck Vectors Australian Banks ETF		VanEck Vectors S&P/ASX MidCap ETF	
	As at		As at	
	31 December 2018	30 June 2018	31 December 2018	30 June 2018
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets at fair value through profit or loss</b>				
Listed equities	39,912	35,225	87,577	86,136
Unit trusts	-	-	3,744	2,313
<b>Total financial assets at fair value through profit or loss</b>	<b>39,912</b>	<b>35,225</b>	<b>91,321</b>	<b>88,449</b>

#### 4 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	
	31 December 2018	30 June 2018	31 December 2018	30 June 2018
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets at fair value through profit or loss</b>				
Listed equities	49,062	96,501	47,162	60,490
Unit trusts	-	-	7,711	9,194
<b>Total financial assets at fair value through profit or loss</b>	<b>49,062</b>	<b>96,501</b>	<b>54,873</b>	<b>69,684</b>

	VanEck Vectors Australian Equal Weight ETF	
	As at	
	31 December 2018	30 June 2018
	\$'000	\$'000
<b>Financial assets at fair value through profit or loss</b>		
Listed equities	563,328	474,156
Unit trusts	47,414	48,102
<b>Total financial assets at fair value through profit or loss</b>	<b>610,742</b>	<b>522,258</b>

#### 5 Units in issue

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

	VanEck Vectors S&P/ASX Franked Dividend ETF		VanEck Vectors Australian Property ETF	
	Half-year ended		Half-year ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	No.	No.	No.'000	No.'000
Opening balance	161,563	160,214	5,646	3,053
Applications	120,000	346	840	629
Units issued upon reinvestment of distributions	912	-	2	2
Closing balance	282,475	160,560	6,488	3,684

## 5 Units in issue (continued)

	<b>VanEck Vectors Australian Banks ETF</b>		<b>VanEck Vectors S&amp;P/ASX MidCap ETF</b>	
	<b>Half-year ended</b>		<b>Half-year ended</b>	
	<b>31 December 2018</b>	<b>31 December 2017</b>	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>No.'000</b>	<b>No.'000</b>	<b>No.'000</b>	<b>No.'000</b>
Opening balance	1,272	987	3,133	1,332
Applications	320	40	500	900
Units issued upon reinvestment of distributions	2	5	-	-
Closing balance	<u>1,594</u>	<u>1,032</u>	<u>3,633</u>	<u>2,232</u>

	<b>VanEck Vectors Australian Resources ETF</b>		<b>VanEck Vectors Small Companies Masters ETF</b>	
	<b>Half-year ended</b>		<b>Half-year ended</b>	
	<b>31 December 2018</b>	<b>31 December 2017</b>	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>No.'000</b>	<b>No.'000</b>	<b>No.'000</b>	<b>No.'000</b>
Opening balance	3,600	1,299	3,363	3,121
Applications	300	200	-	360
Redemptions	(1,900)	-	(360)	-
Units issued upon reinvestment of distributions	-	1	1	1
Closing balance	<u>2,000</u>	<u>1,500</u>	<u>3,004</u>	<u>3,482</u>

	<b>VanEck Vectors Australian Equal Weight ETF</b>	
	<b>Half-year ended</b>	
	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>No.'000</b>	<b>No.'000</b>
Opening balance	18,323	10,208
Applications	4,850	4,650
Units issued upon reinvestment of distributions	6	4
Closing balance	<u>23,179</u>	<u>14,862</u>

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

## 5 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.

## 6 Distributions to unitholders

The distributions during the half-year were as follows:

VanEck Vectors S&P/ASX Franked Dividend ETF				
Half-year ended				
	31 December 2018	31 December 2018	31 December 2017	31 December 2017
	\$	CPU	\$	CPU
Distributions paid	92,121	57.00	53,663	33.47
Distributions payable	48,021	17.00	77,133	48.04
<b>Total distributions</b>	<b>140,142</b>	<b>74.00</b>	<b>130,796</b>	<b>81.51</b>

VanEck Vectors Australian Property ETF				
Half-year ended				
	31 December 2018	31 December 2018	31 December 2017	31 December 2017
	\$'000	CPU	\$'000	CPU
Distributions payable	3,504	54.00	2,137	58.00
<b>Total distributions</b>	<b>3,504</b>	<b>54.00</b>	<b>2,137</b>	<b>58.00</b>

VanEck Vectors Australian Banks ETF				
Half-year ended				
	31 December 2018	31 December 2018	31 December 2017	31 December 2017
	\$'000	CPU	\$'000	CPU
Distributions paid	748	57.00	803	78.00
Distributions payable	1,243	78.00	-	-
<b>Total distributions</b>	<b>1,991</b>	<b>135.00</b>	<b>803</b>	<b>78.00</b>

## 6 Distributions to unitholders (continued)

### VanEck Vectors S&P/ASX MidCap ETF

#### Half-year ended

	31 December 2018 \$'000	31 December 2018 CPU	31 December 2017 \$'000	31 December 2017 CPU
Distributions payable	<u>2,035</u>	<u>56.00</u>	<u>1,004</u>	<u>45.00</u>
<b>Total distributions</b>	<u>2,035</u>	<u>56.00</u>	<u>1,004</u>	<u>45.00</u>

### VanEck Vectors Australian Resources ETF

#### Half-year ended

	31 December 2018 \$'000	31 December 2018 CPU	31 December 2017 \$'000	31 December 2017 CPU
Distributions payable	<u>1,000</u>	<u>50.00</u>	<u>720</u>	<u>48.00</u>
<b>Total distributions</b>	<u>1,000</u>	<u>50.00</u>	<u>720</u>	<u>48.00</u>

### VanEck Vectors Small Companies Masters ETF

#### Half-year ended

	31 December 2018 \$'000	31 December 2018 CPU	31 December 2017 \$'000	31 December 2017 CPU
Distributions payable	<u>931</u>	<u>31.00</u>	<u>1,219</u>	<u>35.00</u>
<b>Total distributions</b>	<u>931</u>	<u>31.00</u>	<u>1,219</u>	<u>35.00</u>

### VanEck Vectors Australian Equal Weight ETF

#### Half-year ended

	31 December 2018 \$'000	31 December 2018 CPU	31 December 2017 \$'000	31 December 2017 CPU
Distributions payable	<u>12,980</u>	<u>56.00</u>	<u>8,025</u>	<u>54.00</u>
<b>Total distributions</b>	<u>12,980</u>	<u>56.00</u>	<u>8,025</u>	<u>54.00</u>

## 7 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 31 December 2018 or on the results and cash flows of the Funds for the half-year ended on that date.

## **8 Contingent assets and liabilities and commitments**

There are no outstanding contingent assets, liabilities or commitments as at 31 December 2018 and 30 June 2018.



## Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the interim financial statements and notes set out on pages 8 to 38 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 31 December 2018 and of its performance for the half-year 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 IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board.

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



Arian Neiron  
Director

Sydney  
8 March 2019

## Independent Auditor's Review Report

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

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

## Report on the Half-Year Financial Report

### Conclusion

We have reviewed the accompanying half-year financial report of the Funds, which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Funds is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Funds' financial position as at 31 December 2018 and of its financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Directors' Responsibility for the Half-Year Financial Report

The directors of VanEck Investments Limited, the Responsible Entity of the Funds, are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.



## Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Funds' financial position as at 31 December 2018 and its financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Funds, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

A handwritten signature in dark ink that reads 'Ernst &amp; Young' in a cursive, stylized font.

Ernst & Young

A handwritten signature in dark ink that appears to read 'Rohit Khanna' in a cursive, stylized font.

Rohit Khanna  
Partner  
Sydney  
8 March 2019