



VanEck Investments Limited  
ABN 22 146 596 116, AFSL 416755  
Aurora Place, Level 4  
88 Phillip Street, Sydney NSW 2000  
www.vaneck.com.au

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ASX Limited  
Market Announcements Office

**ANNUAL FINANCIAL REPORT - CORRECTION**  
[FOR RELEASE UNDER EACH ASX CODE LISTED BELOW]

VanEck Investments Limited releases the attached corrected 'VanEck Global Equity ETFs Financial Report for the Year Ended 30 June 2019' which covers the following exchange traded funds listed in the table below:

ASX code	Fund
QUAL	VanEck Vectors MSCI World ex Australia Quality ETF
IFRA	VanEck Vectors FTSE Global Infrastructure (Hedged) ETF
ESGI	VanEck Vectors International Sustainable ETF
EMKT	VanEck Vectors MSCI Multifactor Emerging Markets Equity ETF
CNEW	VanEck Vectors China New Economy ETF

The previously released report had a formatting error and should therefore be disregarded.

**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.

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# **VanEck Global Equity ETFs**

## **Financial report**

### **For the year/period ended 30 June 2019**

This financial report covers the following VanEck Global Equity ETFs:

**VanEck Vectors MSCI World ex Australia Quality ETF**

ARSN 601 798 172

**VanEck Vectors FTSE Global Infrastructure (Hedged) ETF**

ARSN 611 369 058

**VanEck Vectors MSCI International Sustainable Equity ETF**

ARSN 623 953 177

**VanEck Vectors MSCI Multifactor Emerging Markets Equity ETF**

ARSN 623 953 631

**VanEck Vectors China New Economy ETF**

ARSN 628 273 790

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# VanEck Global Equity ETFs

## Financial report

### For the year/period ended 30 June 2019

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These financial statements cover the VanEck Vectors MSCI World ex Australia Quality ETF, VanEck Vectors FTSE Global Infrastructure (Hedged) ETF, VanEck Vectors MSCI International Sustainable Equity ETF, VanEck Vectors MSCI Multifactor Emerging Markets Equity ETF and VanEck Vectors China New Economy ETF as individual entities.

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

VanEck Investments Limited  
Aurora Place  
Level 4, Suite 3, 88 Phillip Street  
Sydney, NSW, Australia, 2000

## Directors' report

The directors of VanEck Investments Limited (ACN 146 596 116), the Responsible Entity of VanEck Vectors MSCI World ex Australia Quality ETF, VanEck Vectors FTSE Global Infrastructure (Hedged) ETF, VanEck Vectors MSCI International Sustainable Equity ETF, VanEck Vectors MSCI Multifactor Emerging Markets Equity ETF and VanEck Vectors China New Economy ETF (collectively the "Funds" and individually the "Fund"), present their report together with the financial statements of the Funds for the year/period ended 30 June 2019.

### Funds information

The Funds are Australian registered managed investment schemes.

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

### Principal activities

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

VanEck Vectors MSCI World ex Australia Quality ETF invests in a diversified portfolio of global equities in accordance with the provisions of the Fund's Constitution and PDS.

VanEck Vectors FTSE Global Infrastructure (Hedged) ETF invests in a diversified portfolio of global infrastructure securities in accordance with the provisions of the Fund's Constitution and PDS.

VanEck Vectors MSCI International Sustainable Equity ETF invests in a diversified portfolio of sustainable international listed companies in accordance with the provisions of the Fund's Constitution and PDS.

VanEck Vectors MSCI Multifactor Emerging Markets Equity ETF invests in a diversified portfolio of emerging markets listed securities in accordance with the provisions of the Fund's Constitution and PDS.

VanEck Vectors China New Economy ETF invests in a diversified portfolio of up to 120 listed China A-shares via the ASX, in accordance with the provisions of the Fund's Constitution and PDS.

The Funds did not have any employees during the year/period.

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

### Directors

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

Jan van Eck  
Bruce Smith  
Arian Neiron  
Michael Brown  
Jonathan Simon

### Review and results of operations

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

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

## Directors' report (continued)

### Review and results of operations (continued)

VanEck Vectors FTSE Global Infrastructure (Hedged) ETF generally invests in the securities that are constituents of the FTSE Developed Core Infrastructure 50/50 Hedged into Australian Dollars Index (the "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 MSCI International Sustainable Equity ETF generally invests in the securities that are constituents of the MSCI World ex Australia ex Fossil Fuel Select SRI and Low Carbon Capped Index (the "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 MSCI Multifactor Emerging Markets Equity ETF generally invests in the securities that are constituents of the MSCI Emerging Markets Diversified Multiple-Factor Index (AUD) (the "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 China New Economy ETF generally invests in the securities that are constituents of the CSI MarketGrader China New Economy Index (the "Index") and aims to track the performance of the Index (with net dividends reinvested) in Australian dollars, before taking into account fees, expenses and tax.

#### Results

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

	VanEck Vectors MSCI World ex Australia Quality ETF		VanEck Vectors FTSE Global Infrastructure (Hedged) ETF	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Operating profit/(loss) attributable to unitholders (\$'000)	<u>74,459</u>	<u>52,279</u>	<u>15,897</u>	<u>2,052</u>
Distribution to unitholders (\$'000)	<u>9,038</u>	<u>6,725</u>	<u>4,131</u>	<u>2,465</u>
Distribution (cents per unit - CPU)	<u>41.00</u>	<u>42.00</u>	<u>72.00</u>	<u>72.00</u>

	VanEck Vectors MSCI International Sustainable Equity ETF	VanEck Vectors MSCI Multifactor Emerging Markets Equity ETF	VanEck Vectors China New Economy ETF
	Period from 6 March 2018 to 30 June 2019	Period from 10 April 2018 to 30 June 2019	Period from 8 November 2018 to 30 June 2019
	Operating profit/(loss) attributable to unitholders (\$'000)	<u>1,850</u>	<u>115</u>
Distribution to unitholders (\$'000)	<u>458</u>	<u>308</u>	<u>441</u>
Distribution (cents per unit - CPU)	<u>48.00</u>	<u>38.00</u>	<u>7.00</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 year/period.

### Matters subsequent to the end of the financial year/period

No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect:

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

### Likely developments and expected results of operations

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

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

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

### Indemnity and insurance of officers

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

### Indemnity of auditors

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

### Proceedings on behalf of the Funds

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

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

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

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

The number of interests in the Funds held by the Responsible Entity or its associates as at the end of the financial year/period are disclosed in note 17 to the financial statements.

## Directors' report (continued)

### Interests in the Funds

The movement in units on issue in the Funds during the year/period is disclosed in note 10 to the financial statements.

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

### Environmental regulation

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

### Rounding of amounts to the nearest 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 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 6.

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



Arian Neiron  
Director

Sydney  
25 September 2019

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

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

- VanEck Vectors MSCI World ex Australia Quality ETF (QUAL)
- VanEck Vectors FTSE Global Infrastructure (Hedged) ETF (IFRA)
- VanEck Vectors MSCI International Sustainable Equity ETF (ESGI)
- VanEck Vectors MSCI Multifactor Emerging Markets Equity ETF (EMKT)
- VanEck Vectors China New Economy ETF (CNEW)

As lead auditor for the audit of the Funds above for the financial year/period ended 30 June 2019, I declare to the best of my knowledge and belief, there have been:

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

*Ernst & Young*

Ernst & Young

*Rohit Khanna*

Rohit Khanna  
Partner  
Sydney  
25 September 2019

## Statements of comprehensive income

	Notes	VanEck Vectors MSCI World ex Australia Quality ETF		VanEck Vectors FTSE Global Infrastructure (Hedged) ETF	
		Year ended		Year ended	
		30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000
<b>Investment income</b>					
Interest income		3	1	1	-
Dividend and distribution income		9,383	6,684	4,133	2,416
Net gains/(losses) on financial instruments at fair value through profit or loss	6	68,463	47,818	12,918	308
Other operating loss/(income)		(15)	55	(28)	29
<b>Total investment income/(loss)</b>		<b>77,834</b>	<b>54,558</b>	<b>17,024</b>	<b>2,753</b>
<b>Expenses</b>					
Management fees	17	1,898	1,240	539	339
Transaction costs		206	181	57	48
Dividend withholding tax		1,118	805	493	298
Other expenses		153	53	38	16
<b>Total operating expenses</b>		<b>3,375</b>	<b>2,279</b>	<b>1,127</b>	<b>701</b>
<b>Profit/(loss) for the year/period</b>		<b>74,459</b>	<b>52,279</b>	<b>15,897</b>	<b>2,052</b>
Other comprehensive income for the year/period		-	-	-	-
<b>Total comprehensive income for the year/period</b>		<b>74,459</b>	<b>52,279</b>	<b>15,897</b>	<b>2,052</b>

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

**Statements of comprehensive income (continued)**

		VanEck Vectors MSCI International Sustainable Equity ETF	VanEck Vectors MSCI Multifactor Emerging Markets Equity ETF	VanEck Vectors China New Economy ETF
	Notes	Period from 6 March 2018 to 30 June 2019 \$'000	Period from 10 April 2018 to 30 June 2019 \$'000	Period from 8 November 2018 to 30 June 2019 \$'000
<b>Investment income</b>				
Interest income		-	-	2
Dividend and distribution income		637	509	1,299
Net gains/(losses) on financial instruments at fair value through profit or loss	6	1,419	(212)	1,618
Other operating income		17	29	97
<b>Total investment income/(loss)</b>		<u>2,073</u>	<u>326</u>	<u>3,016</u>
<b>Expenses</b>				
Management fees	17	103	89	133
Transaction costs		30	51	97
Dividend withholding tax		79	54	47
Other expenses		11	17	153
<b>Total operating expenses</b>		<u>223</u>	<u>211</u>	<u>430</u>
<b>Profit/(loss) for the year/period</b>		<u>1,850</u>	<u>115</u>	<u>2,586</u>
Other comprehensive income for the year/period		-	-	-
<b>Total comprehensive income for the year/period</b>		<u>1,850</u>	<u>115</u>	<u>2,586</u>

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

Statements of financial position

	Notes	VanEck Vectors MSCI World ex Australia Quality ETF		VanEck Vectors FTSE Global Infrastructure (Hedged) ETF	
		As at		As at	
		30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000
<b>Assets</b>					
Cash and cash equivalents	12	961	583	135	19
Due from brokers - receivable for securities sold		8,495	6,309	882	1,993
Receivables	15	964	592	591	368
Financial assets at fair value through profit or loss	7	590,636	373,805	154,293	76,298
<b>Total assets</b>		<b>601,056</b>	<b>381,289</b>	<b>155,901</b>	<b>78,678</b>
<b>Liabilities</b>					
Bank overdraft	12	1,205	739	613	281
Due to broker - payable for securities purchased		-	-	21	11
Payables	16	343	230	120	72
Distributions payable	11	9,038	6,725	1,370	753
Financial liabilities at fair value through profit or loss	8	-	-	504	1,427
<b>Total liabilities</b>		<b>10,586</b>	<b>7,694</b>	<b>2,628</b>	<b>2,544</b>
<b>Equity</b>		<b>590,470</b>	<b>373,595</b>	<b>153,273</b>	<b>76,134</b>

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

Statements of financial position (continued)

		VanEck Vectors MSCI International Sustainable Equity ETF	VanEck Vectors MSCI Multifactor Emerging Markets Equity ETF	VanEck Vectors China New Economy ETF
		As at 30 June 2019	As at 30 June 2019	As at 30 June 2019
	Notes	\$'000	\$'000	\$'000
<b>Assets</b>				
Cash and cash equivalents	12	63	10	93
Due from brokers - receivable for securities sold		398	222	391
Receivables	15	81	116	23
Financial assets at fair value through profit or loss	7	<u>24,261</u>	<u>18,585</u>	<u>39,472</u>
<b>Total assets</b>		<u>24,803</u>	<u>18,933</u>	<u>39,979</u>
<b>Liabilities</b>				
Bank overdraft	12	104	44	-
Due to broker - payable for securities purchased		-	2	-
Payables	16	23	22	36
Distributions payable	11	<u>418</u>	<u>290</u>	<u>441</u>
<b>Total liabilities</b>		<u>545</u>	<u>358</u>	<u>477</u>
<b>Equity</b>		<u>24,258</u>	<u>18,575</u>	<u>39,502</u>

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

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## Statements of changes in equity

	Notes	VanEck Vectors MSCI World ex Australia Quality ETF		VanEck Vectors FTSE Global Infrastructure (Hedged) ETF	
		Year ended		Year ended	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
		\$'000	\$'000	\$'000	\$'000
<b>Total equity at the beginning of the year/period</b>		<b>373,595</b>	220,265	<b>76,134</b>	36,825
Issue of redeemable participating units		<b>151,216</b>	107,553	<b>65,233</b>	41,829
Units issued upon reinvestment of distributions		<b>238</b>	223	<b>140</b>	78
Redemption of redeemable participating units		-	-	-	(2,185)
Comprehensive income for the year/period		<b>74,459</b>	52,279	<b>15,897</b>	2,052
Distributions	11	<b>(9,038)</b>	(6,725)	<b>(4,131)</b>	(2,465)
<b>Total equity at the end of the year/period</b>		<b>590,470</b>	373,595	<b>153,273</b>	76,134

*Movement in units in issue are disclosed in note 10 to the financial statements.*

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

**Statements of changes in equity (continued)**

	VanEck Vectors MSCI International Sustainable Equity ETF	VanEck Vectors MSCI Multifactor Emerging Markets Equity ETF	VanEck Vectors China New Economy ETF
	Period from 6 March 2018 to 30 June 2019	Period from 10 April 2018 to 30 June 2019	Period from 8 November 2018 to 30 June 2019
Notes	\$'000	\$'000	\$'000
<b>Total equity at the beginning of the year/period</b>	-	-	-
Issue of redeemable participating units	22,865	18,768	37,357
Units issued upon reinvestment of distributions	1	-	-
Comprehensive income for the year/period	1,850	115	2,586
Distributions	(458)	(308)	(441)
<b>Total equity at the end of the year/period</b>	<u>24,258</u>	<u>18,575</u>	<u>39,502</u>

*Movement in units in issue are disclosed in note 10 to the financial statements.*

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

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## Statements of cash flows

	Notes	VanEck Vectors MSCI World ex Australia Quality ETF		VanEck Vectors FTSE Global Infrastructure (Hedged) ETF	
		Year ended		Year ended	
		30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000
<b>Cash flows from operating activities</b>					
Proceeds from sale of financial instruments at fair value through profit or loss		111,881	80,063	24,192	16,692
Purchase of financial instruments at fair value through profit or loss		(253,644)	(190,937)	(89,071)	(56,167)
Dividends and distributions received		(888)	5,622	3,441	1,915
Interest received		3	1	1	-
Other income received		5	78	-	35
Management fees paid		(1,898)	(1,190)	(513)	(320)
Payment of other expenses		(254)	(166)	(122)	(70)
<b>Net cash inflow/(outflow) from operating activities</b>	13(a)	<b>(144,795)</b>	<b>(106,529)</b>	<b>(62,072)</b>	<b>(37,915)</b>
<b>Cash flows from financing activities</b>					
Proceeds from applications by unitholders		151,214	113,346	65,233	41,829
Payments for redemptions by unitholders		-	-	-	(2,185)
Distributions paid		(6,487)	(6,835)	(3,374)	(2,045)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>144,727</b>	<b>106,511</b>	<b>61,859</b>	<b>37,599</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(68)</b>	<b>(18)</b>	<b>(213)</b>	<b>(316)</b>
Cash and cash equivalents at the beginning of the year/period		(156)	(115)	(262)	60
Effects of foreign exchange rate changes on cash and cash equivalents		(20)	(23)	(3)	(6)
<b>Cash and cash equivalents at the end of the year/period</b>	12	<b>(244)</b>	<b>(156)</b>	<b>(478)</b>	<b>(262)</b>

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

**Statements of cash flows (continued)**

	Notes	VanEck Vectors MSCI International Sustainable Equity ETF	VanEck Vectors MSCI Multifactor Emerging Markets Equity ETF	VanEck Vectors China New Economy ETF
		Period from 6 March 2018 to 30 June 2019 \$'000	Period from 10 April 2018 to 30 June 2019 \$'000	Period from 8 November 2018 to 30 June 2019 \$'000
<b>Cash flows from operating activities</b>				
Proceeds from sale of financial instruments at fair value through profit or loss		7,271	7,223	23,033
Purchase of financial instruments at fair value through profit or loss		(30,511)	(26,235)	(60,422)
Dividends and distributions received		492	348	380
Interest received		-	-	2
Other income received		16	29	97
Management fees paid		(93)	(79)	(105)
Payment of other expenses		(41)	(70)	(249)
<b>Net cash inflow/(outflow) from operating activities</b>	13(a)	<u>(22,866)</u>	<u>(18,784)</u>	<u>(37,264)</u>
<b>Cash flows from financing activities</b>				
Proceeds from applications by unitholders		22,865	18,768	37,357
Distributions paid		(39)	(18)	-
<b>Net cash inflow/(outflow) from financing activities</b>		<u>22,826</u>	<u>18,750</u>	<u>37,357</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		(40)	(34)	93
Cash and cash equivalents at the beginning of the year/period		-	-	-
Effects of foreign exchange rate changes on cash and cash equivalents		(1)	-	-
<b>Cash and cash equivalents at the end of the year/period</b>	12	<u>(41)</u>	<u>(34)</u>	<u>93</u>

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

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## 1 General information

These financial statements for the year/period ended 30 June 2019 cover the VanEck Vectors MSCI World ex Australia Quality ETF, VanEck Vectors FTSE Global Infrastructure (Hedged) ETF, VanEck Vectors MSCI International Sustainable Equity ETF, VanEck Vectors MSCI Multifactor Emerging Markets Equity ETF and VanEck Vectors China New Economy ETF (the "Funds") as individual entities.

VanEck Vectors MSCI World ex Australia Quality ETF was constituted on 12 September 2014 and started trading on ASX on 31 October 2014.

VanEck Vectors FTSE Global Infrastructure (Hedged) ETF was constituted on 16 March 2016 and started trading on ASX on 3 May 2016.

VanEck Vectors MSCI International Sustainable Equity ETF was constituted on 13 October 2017 and started trading on ASX on 8 March 2018.

VanEck Vectors MSCI Multifactor Emerging Markets Equity ETF was constituted on 13 October 2017 and started trading on ASX on 12 April 2018.

VanEck Vectors China New Economy ETF was constituted on 3 September 2018 and started trading on ASX on 9 November 2018.

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

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

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

The financial statements were authorised for issue by the directors on 25 September 2019. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

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

## 2 Summary of significant accounting policies

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

### (a) Basis of preparation

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

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

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

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

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

## 2 Summary of significant accounting policies (continued)

### (a) Basis of preparation (continued)

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

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

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

### (b) Changes in accounting standards

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

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

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

#### (i) Classification and measurement

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

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

For equity securities and derivatives such as foreign currency contracts, 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.

The Funds hold derivatives which had previously been held for trading. On adoption of AASB 9 these securities are mandatorily classified as fair value through profit or loss.

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

#### Measurement

## 2 Summary of significant accounting policies (continued)

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

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

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 Statements of comprehensive income within 'Net gains/(losses) on financial instruments at fair value through profit or loss' in the period in which they arise.

For further details on how the fair values of financial instruments are determined please see note 5 to the financial statements.

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

#### (ii) Impairment

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

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

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

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

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

#### (iii) Hedge accounting

The new hedge accounting requirements under AASB 9 simplify hedge accounting by more closely aligning hedge relationships with risk management activities of the Funds' risk management objectives. These amendments have no significant effect on the financial position nor performance of the Funds. No other funds presented in this financial statement other than VanEck Vectors FTSE Global Infrastructure (Hedged) ETF applies hedge accounting.

#### (iv) Investment income

Interest income from financial assets at amortised cost is recognised on a time-proportionate basis using the effective interest method and includes interest from cash and cash equivalents.

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

#### (v) Restatement of comparatives

There is no restatement in relation to AASB 9 adoption.

## 2 Summary of significant accounting policies (continued)

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

#### (vi) *Recognition/derecognition*

The Funds recognise financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognise changes in the fair value of the financial assets and financial liabilities from this date. Financial assets are derecognised when the right to receive cash flows from the investments have expired or have been transferred and the Funds has transferred substantially all of the risks and rewards of ownership.

#### (vii) *Offsetting financial instruments*

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

Financial assets and liabilities that have been offset are disclosed in Note 4.

### (d) AASB 15 *Revenue from Contracts with Customers*

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

The Funds' main source of income are interest, dividends and distributions and gains on financial instruments measured at fair value. All of these are outside the scope of the new revenue standard. As a consequence, the adoption of AASB 15 does not have a significant impact on the Funds' accounting policies or the amounts recognised in the financial statements.

### (e) *Redeemable participating units*

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

### (f) *Capital management*

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

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

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

### (g) *Cash and cash equivalents*

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

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

## 2 Summary of significant accounting policies (continued)

### (g) Cash and cash equivalents (continued)

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

### (h) Investment income

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

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

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

### (i) Expenses

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

### (j) Income tax

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

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

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

### (k) Distributions

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

### (l) Foreign currency translation

#### (i) Functional and presentation currency

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

#### (ii) Transactions and balances

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

## 2 Summary of significant accounting policies (continued)

### (l) Foreign currency translation (continued)

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

### (m) Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered as at year end. Trades are recorded on trade date, and for equities, normally settled within three business days.

### (n) Receivables

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

### (o) Payables

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

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

### (p) Applications and redemptions

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

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

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

### (q) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Funds by third parties such as management, administration and custodian services where applicable have been passed onto the Funds. The Funds qualify for Reduced Input Tax Credits (RITC) at a rate of at least 55%. Hence, fees for these services and any other expenses have been recognised in the Statements of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the Statements of financial position. Cash flows relating to GST are included in the Statements of cash flows on a gross basis.

## 2 Summary of significant accounting policies (continued)

### (r) Use of estimates

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

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

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

### (s) Hedge accounting

The Funds designate certain derivatives as fair value hedges under AASB 9 *Financial Instruments*

At the inception of the hedge relationship, the Funds document the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions.

Furthermore, at the inception of the hedge and on an ongoing basis, the Funds document whether the hedging instrument is highly effective in offsetting changes in fair values attributable to the hedged risk.

### (t) Fair value hedges

Changes in fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Statements of comprehensive income immediately, together with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk.

Hedge accounting is discontinued when the Funds revoke the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

### (u) New accounting standards and interpretations not yet adopted

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

### (v) Rounding of amounts

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

## 3 Financial risk management

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

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

### 3 Financial risk management (continued)

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

The table on page 30-32 shows the impact on net asset value of the Funds of a reasonably possible shift in the MSCI World ex Australia Quality Index, FTSE Developed Core Infrastructure 50/50 Hedged into Australian Dollars Index, MSCI World ex Australia ex Fossil Fuel Select SRI and Low Carbon Capped Index, MSCI Emerging Markets Diversified Multiple-Factor Index (AUD) and CSI MarketGrader China New Economy Index, assessed as an increase of 10% and decrease of 10% (2018: +/-10%) in the MSCI World ex Australia Quality Index, FTSE Developed Core Infrastructure 50/50 Hedged into Australian Dollars Index, MSCI World ex Australia ex Fossil Fuel Select SRI and Low Carbon Capped Index, MSCI Emerging Markets Diversified Multiple-Factor Index (AUD) and CSI MarketGrader China New Economy Index (with all other variables held constant).

#### (a) Market risk

##### (i) Price risk

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

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

##### (ii) Foreign exchange risk

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

The Funds' foreign exchange exposure on international equity securities is embedded in the price risk as presented on page 31-32.

### 3 Financial risk management (continued)

#### (a) Market risk (continued)

##### (ii) Foreign exchange risk (continued)

The table below summarises the Funds' assets and liabilities that are denominated in a currency other than the Australian dollar.

#### VanEck Vectors MSCI World ex Australia Quality ETF

	US Dollars A\$'000	Euro A\$'000	British Pounds A\$'000	Other currencies A\$'000
<b>As at 30 June 2019</b>				
Cash and cash equivalents	788	-	18	20
Receivables	158	48	181	605
Due from brokers - receivable for securities sold	6,414	561	507	1,013
Financial assets at fair value through profit or loss	445,068	38,669	34,547	72,352
Bank overdraft	(1,205)	-	-	-
Payables	(28)	(1)	(1)	(5)
	<u>451,195</u>	<u>39,277</u>	<u>35,252</u>	<u>73,985</u>
Net increase/(decrease) in exposure from foreign currency forward contracts				
- sell foreign currency	(8,684)	-	-	(16)
	<u>442,511</u>	<u>39,277</u>	<u>35,252</u>	<u>73,969</u>
<b>As at 30 June 2018</b>				
Cash and cash equivalents	415	12	54	101
Receivables	164	31	74	299
Due from brokers - receivable for securities sold	4,504	487	423	895
Financial assets at fair value through profit or loss	266,725	28,763	25,021	53,296
Bank overdraft	(739)	-	-	-
Payables	(22)	-	(1)	(5)
	<u>271,047</u>	<u>29,293</u>	<u>25,571</u>	<u>54,586</u>
Net increase/(decrease) in exposure from foreign currency forward contracts				
- sell foreign currency	(6,343)	-	-	(11)
	<u>264,704</u>	<u>29,293</u>	<u>25,571</u>	<u>54,575</u>

### 3 Financial risk management (continued)

#### (a) Market risk (continued)

##### (ii) Foreign exchange risk (continued)

#### VanEck Vectors FTSE Global Infrastructure (Hedged) ETF

As at 30 June 2019	US Dollars A\$'000	Singapore Dollar A\$'000	South Korean Won A\$'000	Other currencies A\$'000
Cash and cash equivalents	130	-	-	(1)
Receivables	32	-	9	229
Due from brokers - receivables from securities sold	475	-	3	324
Financial assets at fair value through profit or loss	83,408	94	475	56,456
Bank overdraft	(613)	-	-	-
Payables	(14)	-	(2)	(10)
Due to brokers - payables from securities purchased	-	-	-	(21)
Financial liabilities at fair value through profit or loss	(5)	(5)	-	(494)
	<u>83,413</u>	<u>89</u>	<u>485</u>	<u>56,483</u>
Net increase/(decrease) in exposure from foreign currency forward contract				
- sell foreign currency	(83,074)	(1,046)	-	(55,616)
	<u>339</u>	<u>(957)</u>	<u>485</u>	<u>867</u>
As at 30 June 2018	US Dollars A\$'000	Singapore Dollar A\$'000	South Korean Won A\$'000	Other currencies A\$'000
Cash and cash equivalents	-	-	-	14
Receivables	99	-	-	130
Due from brokers - receivables from securities sold	1,109	1	10	730
Financial assets at fair value through profit or loss	42,419	31	371	28,012
Bank overdraft	(281)	-	-	-
Payables	(5)	-	-	(6)
Due to brokers - payables from securities purchased	-	-	-	(11)
Financial liabilities at fair value through profit or loss	(1,007)	(3)	-	(417)
	<u>42,334</u>	<u>29</u>	<u>381</u>	<u>28,452</u>
Net increase/(decrease) in exposure from foreign currency forward contract				
- sell foreign currency	(43,031)	(633)	-	(27,241)
	<u>(697)</u>	<u>(604)</u>	<u>381</u>	<u>1,211</u>

### 3 Financial risk management (continued)

#### (a) Market risk (continued)

##### (ii) Foreign exchange risk (continued)

#### VanEck Vectors MSCI International Sustainable Equity ETF

As at 30 June 2019	US Dollars A\$'000	Euro A\$'000	Japanese Yen A\$'000	Other currencies A\$'000
Cash and cash equivalents	51	(1)	5	(3)
Due from brokers - receivables from securities sold	140	120	39	99
Receivables	5	35	-	29
Financial assets at fair value through profit or loss	8,551	7,308	2,399	6,003
Overdraft	(104)	-	-	-
Payables	(1)	(1)	-	(1)
	<u>8,632</u>	<u>7,461</u>	<u>2,443</u>	<u>6,127</u>
Net increase/(decrease) in exposure from foreign currency forward contract				
- sell foreign currency	(402)	-	(5)	(1)
	<u>8,230</u>	<u>7,461</u>	<u>2,438</u>	<u>6,126</u>

#### VanEck Vectors China New Economy ETF

As at 30 June 2019	Chinese Yuan \$'000
Cash and cash equivalents	93
Due from brokers - receivables from securities sold	391
Receivables	(2)
Financial assets at fair value through profit or loss	39,852
Payables	(7)
	<u>40,327</u>
Net increase/(decrease) in exposure from foreign currency forward contract	
- sell foreign currency	-

### 3 Financial risk management (continued)

#### (a) Market risk (continued)

##### (iii) Interest rate risk

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

The table below summarises the Funds' direct exposure to interest rate risks.

#### VanEck Vectors MSCI World ex Australia Quality ETF

30 June 2019	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>Assets</b>				
Cash and cash equivalents	961	-	-	961
Receivables	-	-	964	964
Due from brokers - receivable for securities sold	-	-	8,495	8,495
Financial assets at fair value through profit and loss	-	-	590,636	590,636
<b>Total assets</b>	<b>961</b>	<b>-</b>	<b>600,095</b>	<b>601,056</b>
<b>Liabilities</b>				
Bank overdraft	-	(1,205)	-	(1,205)
Distributions payable	-	-	(9,038)	(9,038)
Payables	-	-	(343)	(343)
<b>Total liabilities</b>	<b>-</b>	<b>(1,205)</b>	<b>(9,381)</b>	<b>(10,586)</b>
<b>Net exposure</b>	<b>961</b>	<b>(1,205)</b>	<b>590,714</b>	<b>590,470</b>
<b>30 June 2018</b>				
<b>Assets</b>				
Cash and cash equivalents	583	-	-	583
Receivables	-	-	592	592
Due from brokers - receivable for securities sold	-	-	6,309	6,309
Financial assets at fair value through profit and loss	-	-	373,805	373,805
<b>Total assets</b>	<b>583</b>	<b>-</b>	<b>380,706</b>	<b>381,289</b>
<b>Liabilities</b>				
Bank overdraft	-	(739)	-	(739)
Distributions payable	-	-	(6,725)	(6,725)
Payables	-	-	(230)	(230)
<b>Total liabilities</b>	<b>-</b>	<b>(739)</b>	<b>(6,955)</b>	<b>(7,694)</b>
<b>Net exposure</b>	<b>583</b>	<b>(739)</b>	<b>373,751</b>	<b>373,595</b>

### 3 Financial risk management (continued)

#### (a) Market risk (continued)

##### (iii) Interest rate risk (continued)

#### VanEck Vectors FTSE Global Infrastructure (Hedged) ETF

30 June 2019	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>Assets</b>				
Cash and cash equivalents	135	-	-	135
Receivables	-	-	591	591
Due from brokers - receivable for securities sold	-	-	882	882
Financial assets at fair value through profit and loss	-	-	154,293	154,293
<b>Total assets</b>	<b>135</b>	<b>-</b>	<b>155,766</b>	<b>155,901</b>
<b>Liabilities</b>				
Bank overdraft	-	(613)	-	(613)
Distributions payable	-	-	(1,370)	(1,370)
Payables	-	-	(120)	(120)
Due to brokers - payable for securities purchased	-	-	(21)	(21)
Financial liabilities at fair value through profit and loss	-	-	(504)	(504)
<b>Total liabilities</b>	<b>-</b>	<b>(613)</b>	<b>(2,015)</b>	<b>(2,628)</b>
<b>Net exposure</b>	<b>135</b>	<b>(613)</b>	<b>153,751</b>	<b>153,273</b>
<b>30 June 2018</b>				
<b>Assets</b>				
Cash and cash equivalents	19	-	-	19
Receivables	-	-	368	368
Due from brokers - receivable for securities sold	-	-	1,993	1,993
Financial assets at fair value through profit and loss	-	-	76,298	76,298
<b>Total assets</b>	<b>19</b>	<b>-</b>	<b>78,659</b>	<b>78,678</b>
<b>Liabilities</b>				
Bank overdraft	-	(281)	-	(281)
Distributions payable	-	-	(753)	(753)
Payables	-	-	(72)	(72)
Due to brokers - payable for securities purchased	-	-	(11)	(11)
Financial liabilities at fair value through profit and loss	-	-	(1,427)	(1,427)
<b>Total liabilities</b>	<b>-</b>	<b>(281)</b>	<b>(2,263)</b>	<b>(2,544)</b>
<b>Net exposure</b>	<b>19</b>	<b>(281)</b>	<b>76,396</b>	<b>76,134</b>

### 3 Financial risk management (continued)

#### (a) Market risk (continued)

##### (iii) Interest rate risk (continued)

#### VanEck Vectors MSCI International Sustainable Equity ETF

30 June 2019	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>Assets</b>				
Cash and cash equivalents	63	-	-	63
Receivables	-	-	81	81
Due from brokers - receivable for securities sold	-	-	398	398
Financial assets at fair value through profit and loss	-	-	24,261	24,261
<b>Total assets</b>	<b>63</b>	<b>-</b>	<b>24,740</b>	<b>24,803</b>
<b>Liabilities</b>				
Bank overdraft	-	(104)	-	(104)
Distributions payable	-	-	(418)	(418)
Payables	-	-	(23)	(23)
<b>Total liabilities</b>	<b>-</b>	<b>(104)</b>	<b>(441)</b>	<b>(545)</b>
<b>Net exposure</b>	<b>63</b>	<b>(104)</b>	<b>24,299</b>	<b>24,258</b>

#### VanEck Vectors MSCI Multifactor Emerging Markets Equity ETF

30 June 2019	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>Assets</b>				
Cash and cash equivalents	10	-	-	10
Receivables	-	-	116	116
Due from brokers - receivable for securities sold	-	-	222	222
Financial assets at fair value through profit and loss	-	-	18,585	18,585
<b>Total assets</b>	<b>10</b>	<b>-</b>	<b>18,923</b>	<b>18,933</b>
<b>Liabilities</b>				
Bank overdraft	-	(44)	-	(44)
Distributions payable	-	-	(290)	(290)
Payables	-	-	(22)	(22)
Due to brokers - payable for securities purchased	-	-	(2)	(2)
<b>Total liabilities</b>	<b>-</b>	<b>(44)</b>	<b>(314)</b>	<b>(358)</b>
<b>Net exposure</b>	<b>10</b>	<b>(44)</b>	<b>18,609</b>	<b>18,575</b>

### 3 Financial risk management (continued)

#### (a) Market risk (continued)

##### (iii) Interest rate risk (continued)

#### VanEck Vectors China New Economy ETF

30 June 2019	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>Assets</b>				
Cash and cash equivalents	93	-	-	93
Receivables	-	-	23	23
Due from brokers - receivable for securities sold	-	-	391	391
Financial assets at fair value through profit and loss	-	-	39,472	39,472
<b>Total assets</b>	<b>93</b>	<b>-</b>	<b>39,886</b>	<b>39,979</b>
<b>Liabilities</b>				
Distributions payable	-	-	(441)	(441)
Payables	-	-	(36)	(36)
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>(477)</b>	<b>(477)</b>
<b>Net exposure</b>	<b>93</b>	<b>-</b>	<b>39,409</b>	<b>39,502</b>

An analysis of financial liabilities by maturities is provided in note 3 (d)(i) on page 33.

#### (b) Summarised sensitivity analysis

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

#### VanEck Vectors MSCI World ex Australia Quality ETF

	Price risk	
	-10%	+10%
	Impact on operating profit/Net assets attributable to unitholders \$'000	\$'000
30 June 2019	(59,064)	59,064
30 June 2018	(37,381)	37,381

### 3 Financial risk management (continued)

#### (b) Summarised sensitivity analysis (continued)

##### VanEck Vectors FTSE Global Infrastructure (Hedged) ETF

	Price risk	
	Impact on operating profit/Net assets attributable to unitholders	
	-10%	+10%
	\$'000	\$'000
30 June 2019	(15,429)	15,429
30 June 2018	(7,630)	7,630

	Foreign currency risk					
	Impact on operating profit/Net assets attributable to unitholders					
	-10%	+10%	-10%	+10%	-10%	+10%
	USD	USD	SGD	SGD	KRW	KRW
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2019	(34)	34	96	(96)	(49)	49
30 June 2018	70	(70)	60	(60)	(38)	38

##### VanEck Vectors MSCI International Sustainable Equity ETF

	Price risk	
	Impact on operating profit/Net assets attributable to unitholders	
	-10%	+10%
	\$'000	\$'000
30 June 2019	(2,426)	2,426

	Foreign currency risk					
	Impact on operating profit/Net assets attributable to unitholders					
	-10%	+10%	-10%	+10%	-10%	+10%
	USD	USD	EUR	EUR	JPY	JPY
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2019	(823)	823	(746)	746	(244)	244

##### VanEck Vectors MSCI Multifactor Emerging Markets Equity ETF

	Price risk	
	Impact on operating profit/Net assets attributable to unitholders	
	-10%	+10%
	\$'000	\$'000
30 June 2019	(1,859)	1,859

### 3 Financial risk management (continued)

#### (b) Summarised sensitivity analysis (continued)

VanEck Vectors China New Economy ETF	Price risk		Foreign exchange risk	
	Impact on operating profit/Net assets attributable to unitholders		Impact on operating profit/Net assets attributable to unitholders	
	-10%	+10%	-10%	+10%
			CNY	CNY
	\$'000	\$'000	\$'000	\$'000
30 June 2019	(3,947)	3,947	(4,033)	4,033

In determining the impact of an increase/decrease in equity attributable to unitholders arising from market risk, the Responsible Entity has considered the current financial year/period and expected future movements of the portfolio based on market information in order to determine a reasonably possible shift in assumptions.

#### (c) Credit risk

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

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

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

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

#### (d) Liquidity risk

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

The Funds' listed securities are considered readily realisable, as they are listed on ASX.

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

### 3 Financial risk management (continued)

#### (d) Liquidity risk (continued)

##### (i) Maturities of non-derivative financial liabilities

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

#### VanEck Vectors MSCI World ex Australia Quality ETF

	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Over 12 months \$'000	Total \$'000
<b>As at 30 June 2019</b>					
Bank overdraft	1,205	-	-	-	1,205
Payables	343	-	-	-	343
Distributions payable	9,038	-	-	-	9,038
<b>Contractual cash flows (excluding net settled derivatives)</b>	<b>10,586</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,586</b>
<b>As at 30 June 2018</b>					
Bank overdraft	739	-	-	-	739
Payables	230	-	-	-	230
Distributions payable	6,725	-	-	-	6,725
<b>Contractual cash flows (excluding net settled derivatives)</b>	<b>7,694</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,694</b>

### 3 Financial risk management (continued)

#### (d) Liquidity risk (continued)

##### VanEck Vectors FTSE Global Infrastructure (Hedged) ETF

	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Over 12 months \$'000	Total \$'000
<b>As at 30 June 2019</b>					
Bank overdraft	613	-	-	-	613
Due to brokers - payable for securities purchased	21	-	-	-	21
Payables	120	-	-	-	120
Distributions payable	<u>1,370</u>	-	-	-	<u>1,370</u>
<b>Contractual cash flows (excluding net settled derivatives)</b>	<u>2,124</u>	-	-	-	<u>2,124</u>
<b>As at 30 June 2018</b>					
Bank overdraft	281	-	-	-	281
Due to brokers - payable for securities purchased	11	-	-	-	11
Payables	72	-	-	-	72
Distributions payable	<u>753</u>	-	-	-	<u>753</u>
Contractual cash flows (excluding net settled derivatives)	<u>1,117</u>	-	-	-	<u>1,117</u>

##### VanEck Vectors MSCI International Sustainable Equity ETF

	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Over 12 months \$'000	Total \$'000
<b>As at 30 June 2019</b>					
Bank overdraft	104	-	-	-	104
Payables	23	-	-	-	23
Distributions payable	<u>418</u>	-	-	-	<u>418</u>
<b>Contractual cash flows (excluding net settled derivatives)</b>	<u>545</u>	-	-	-	<u>545</u>

### 3 Financial risk management (continued)

#### (d) Liquidity risk (continued)

##### VanEck Vectors MSCI Multifactor Emerging Markets Equity ETF

	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Over 12 months \$'000	Total \$'000
<b>As at 30 June 2019</b>					
Bank overdraft	44	-	-	-	44
Due to brokers - payable for securities purchased	2	-	-	-	2
Payables	22	-	-	-	22
Distributions payable	290	-	-	-	290
<b>Contractual cash flows (excluding net settled derivatives)</b>	<b>358</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>358</b>

##### VanEck Vectors China New Economy ETF

	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Over 12 months \$'000	Total \$'000
<b>As at 30 June 2019</b>					
Payables	36	-	-	-	36
Distributions payable	441	-	-	-	441
<b>Contractual cash flows (excluding net settled derivatives)</b>	<b>477</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>477</b>

### 3 Financial risk management (continued)

#### (d) Liquidity risk (continued)

##### (ii) Maturities of net settled derivative financial instruments

The table below analyses the Funds' net settled derivative financial instruments based on their contractual maturity. The Funds may, at its discretion, settle financial instruments prior to their original contractual settlement date, in accordance with its investment strategy, where permitted by the terms and conditions of the relevant instruments.

#### VanEck Vectors FTSE Global Infrastructure (Hedged) ETF

	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Over 12 months \$'000	Total \$'000
<b>As at 30 June 2019</b>					
Foreign currency forward contracts	588	(16)	-	-	572
<b>Total Net settled derivatives</b>	<b>588</b>	<b>(16)</b>	<b>-</b>	<b>-</b>	<b>572</b>
<b>As at 30 June 2018</b>					
Foreign currency forward contracts	(1,418)	14	-	-	(1,404)
<b>Total Net settled derivatives</b>	<b>(1,418)</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>(1,404)</b>

VanEck Vectors MSCI World ex Australia Quality ETF, VanEck Vectors MSCI International Sustainable Equity ETF, VanEck Vectors MSCI Multifactor Emerging Markets Equity ETF and VanEck Vectors China New Economy ETF had nil settled derivatives as at 30 June 2019 and 30 June 2018.

#### 4 Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The gross and net positions of financial assets and liabilities that have been offset in the Statement of financial position are disclosed in the first three columns of the tables below.

##### VanEck Vectors MSCI World ex Australia Quality ETF

	Effects of offsetting on the Statement of financial position			Related amount not offset		
	Gross amounts of financial instruments	Gross amounts set off in the Statement of financial position	Net amount of financial instruments presented in the Statement of financial position	Amounts subject to master netting arrangements	Collateral received/pledged	Net amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 30 June 2019</b>						
<b>Financial assets</b>						
Derivative financial instruments	16	(16)	-	-	-	-
<b>Total</b>	<b>16</b>	<b>(16)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>						
Derivative financial instruments	16	(16)	-	-	-	-
<b>Total</b>	<b>16</b>	<b>(16)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at 30 June 2018</b>						
<b>Financial assets</b>						
Derivative financial instruments	11	(11)	-	-	-	-
<b>Total</b>	<b>11</b>	<b>(11)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>						
Derivative financial instruments	11	(11)	-	-	-	-
<b>Total</b>	<b>11</b>	<b>(11)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### 4 Offsetting financial assets and financial liabilities (continued)

	Effects of offsetting on the Statement of financial position			Related amount not offset		
	Gross amounts of financial instruments	Gross amounts set off in the Statement of financial position	Net amount of financial instruments presented in the Statement of financial position	Amounts subject to master netting arrangements	Collateral received/pledged	Net amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>VanEck Vectors FTSE Global Infrastructure (Hedged) ETF</b>						
<b>As at 30 June 2019</b>						
<b>Financial assets</b>						
Derivative financial instruments	1,114	(38)	1,076	(504)	-	572
<b>Total</b>	<b>1,114</b>	<b>(38)</b>	<b>1,076</b>	<b>(504)</b>	<b>-</b>	<b>572</b>
<b>Financial liabilities</b>						
Derivative financial instruments	542	(38)	504	(504)	-	-
<b>Total</b>	<b>542</b>	<b>(38)</b>	<b>504</b>	<b>(504)</b>	<b>-</b>	<b>-</b>
<b>As at 30 June 2018</b>						
<b>Financial assets</b>						
Derivative financial instruments	678	(655)	23	(23)	-	-
<b>Total</b>	<b>678</b>	<b>(655)</b>	<b>23</b>	<b>(23)</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>						
Derivative financial instruments	2,082	(655)	1,427	(23)	-	1,404
<b>Total</b>	<b>2,082</b>	<b>(655)</b>	<b>1,427</b>	<b>(23)</b>	<b>-</b>	<b>1,404</b>

#### 4 Offsetting financial assets and financial liabilities (continued)

VanEck Vectors MSCI International Sustainable Equity ETF	Effects of offsetting on the Statement of financial position			Related amount not offset		
	Gross amounts of financial instruments	Gross amounts set off in the Statement of financial position	Net amount of financial instruments presented in the Statement of financial position	Amounts subject to master netting arrangements	Collateral received/pledged	Net amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 30 June 2019</b>						
<b>Financial assets</b>						
Derivative financial instruments	6	(6)	-	-	-	-
<b>Total</b>	<b>6</b>	<b>(6)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>						
Derivative financial instruments	6	(6)	-	-	-	-
<b>Total</b>	<b>6</b>	<b>(6)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

##### (a) Master netting arrangement – not currently enforceable

Agreements with derivative counterparties are based on the International Swaps and Derivatives Association (ISDA) Master Agreement. Under the terms of these arrangements, only when certain credit events occur (such as default), the net position owing/receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the Funds do not presently have a legally enforceable right of set-off, these amounts have not been offset in the Statement of financial position, but have been presented separately in the above table.

#### 5 Fair value measurement

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

- Financial assets / liabilities at fair value through profit or loss (see note 7 and note 8)
- Derivative financial instruments (see note 9)

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

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

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

## 5 Fair value measurement (continued)

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

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

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

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

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

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

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

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

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

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

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

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

## 5 Fair value measurement (continued)

### Recognised fair value measurements

The table below presents the Funds' financial assets measured at fair value according to the fair value hierarchy as at 30 June 2019 and 30 June 2018.

#### VanEck Vectors MSCI World ex Australia Quality ETF

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>As at 30 June 2019</b>				
<b>Financial assets at fair value through profit or loss</b>				
Listed equities	588,669	-	-	588,669
Listed unit trusts	<u>1,967</u>	<u>-</u>	<u>-</u>	<u>1,967</u>
<b>Total</b>	<u>590,636</u>	<u>-</u>	<u>-</u>	<u>590,636</u>
<b>As at 30 June 2018</b>				
<b>Financial assets at fair value through profit or loss</b>				
Listed equities	372,541	-	-	372,541
Listed unit trusts	<u>1,264</u>	<u>-</u>	<u>-</u>	<u>1,264</u>
<b>Total</b>	<u>373,805</u>	<u>-</u>	<u>-</u>	<u>373,805</u>

## 5 Fair value measurement (continued)

### Recognised fair value measurements (continued)

#### VanEck Vectors FTSE Global Infrastructure (Hedged) ETF

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>As at 30 June 2019</b>				
<b>Financial assets at fair value through profit or loss</b>				
Derivatives	-	1,076	-	1,076
Listed equities	141,561	-	-	141,561
Listed unit trusts	11,656	-	-	11,656
<b>Total</b>	<u>153,217</u>	<u>1,076</u>	<u>-</u>	<u>154,293</u>
<b>Financial liabilities at fair value through profit or loss</b>				
<b>Total</b>	<u>-</u>	<u>504</u>	<u>-</u>	<u>504</u>
<b>As at 30 June 2018</b>				
<b>Financial assets at fair value through profit or loss</b>				
Derivatives	-	23	-	23
Listed equities	70,185	-	-	70,185
Listed unit trusts	6,090	-	-	6,090
<b>Total</b>	<u>76,275</u>	<u>23</u>	<u>-</u>	<u>76,298</u>
<b>Financial liabilities at fair value through profit or loss</b>				
Derivatives	-	1,427	-	1,427
<b>Total</b>	<u>-</u>	<u>1,427</u>	<u>-</u>	<u>1,427</u>

#### VanEck Vectors MSCI International Sustainable Equity ETF

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>As at 30 June 2019</b>				
<b>Financial assets at fair value through profit or loss</b>				
Listed equities	23,904	-	-	23,904
Listed unit trusts	357	-	-	357
<b>Total</b>	<u>24,261</u>	<u>-</u>	<u>-</u>	<u>24,261</u>

## 5 Fair value measurement (continued)

### Recognised fair value measurements (continued)

#### VanEck Vectors MSCI Multifactor Emerging Markets Equity ETF

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>As at 30 June 2019</b>				
<b>Financial assets at fair value through profit or loss</b>				
Listed equities	17,682	-	-	17,682
Listed unit trusts	903	-	-	903
<b>Total</b>	<b>18,585</b>	<b>-</b>	<b>-</b>	<b>18,585</b>

#### VanEck Vectors China New Economy ETF

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>As at 30 June 2019</b>				
<b>Financial assets at fair value through profit or loss</b>				
Listed equities	39,472	-	-	39,472
<b>Total</b>	<b>39,472</b>	<b>-</b>	<b>-</b>	<b>39,472</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 year/period ended 30 June 2019 and year ended 30 June 2018. There were also no changes made to any of the valuation techniques applied as at 30 June 2019.

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

The Funds did not hold any financial instruments with fair value measurements using significant unobservable inputs during the year ended 30 June 2019 or period ended 30 June 2018.

*(iii) Fair values of other financial instruments*

Due to their short-term nature, the carrying amounts of receivables and payables are assumed to approximate fair value.

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

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

	VanEck Vectors MSCI World ex Australia Quality ETF		VanEck Vectors FTSE Global Infrastructure (Hedged) ETF	
	Year ended		Year ended	
	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000
<b>Financial assets</b>				
Net gains/(losses) on financial assets at fair value through profit or loss	68,463	47,814	19,108	3,355
<b>Financial liabilities</b>				
Net gains/(losses) on financial liabilities at fair value through profit or loss	-	4	(6,190)	(3,047)
<b>Total net gains/(losses) on financial instruments at fair value through profit or loss</b>	<b>68,463</b>	<b>47,818</b>	<b>12,918</b>	<b>308</b>

	VanEck Vectors MSCI International Sustainable Equity ETF	VanEck Vectors MSCI Multifactor Emerging Markets Equity ETF	VanEck Vectors China New Economy ETF
	Period from 6 March 2018 to 30 June 2019 \$'000	Period from 10 April 2018 to 30 June 2019 \$'000	Period from 8 November 2018 to 30 June 2019 \$'000
	<b>Financial assets</b>		
Net gains/(losses) on financial assets at fair value through profit or loss	1,423	(207)	1,619
<b>Financial liabilities</b>			
Net gains/(losses) on financial liabilities at fair value through profit or loss	(4)	(5)	(1)
<b>Total net gains/(losses) on financial instruments at fair value through profit or loss</b>	<b>1,419</b>	<b>(212)</b>	<b>1,618</b>

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

	VanEck Vectors MSCI World ex Australia Quality ETF		VanEck Vectors FTSE Global Infrastructure (Hedged) ETF	
	As at		As at	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets at fair value through profit or loss</b>				
Derivatives (Note 9)	-	-	1,076	23
Listed equities	588,669	372,541	141,561	70,185
Listed unit trusts	1,967	1,264	11,656	6,090
<b>Total financial assets at fair value through profit or loss</b>	<b>590,636</b>	<b>373,805</b>	<b>154,293</b>	<b>76,298</b>

	VanEck Vectors MSCI International Sustainable Equity ETF	VanEck Vectors MSCI Multifactor Emerging Markets Equity ETF	VanEck Vectors China New Economy ETF
	As at	As at	As at
	30 June 2019	30 June 2019	30 June 2019
	\$'000	\$'000	\$'000
<b>Financial assets at fair value through profit or loss</b>			
Listed equities	23,904	17,682	39,472
Listed unit trusts	357	903	-
<b>Total financial assets at fair value through profit or loss</b>	<b>24,261</b>	<b>18,585</b>	<b>39,472</b>

For VanEck Vectors FTSE Global Infrastructure (Hedged) ETF, the risk is managed by hedging the exposure using foreign currency contracts. As at 30 June 2019 the net fair value of the financial assets being hedged was \$139,356,475.00 (2018: \$70,810,279.00). The net fair value of the gains/(losses) arising from the hedging instruments during the year was \$(4,671,000.00) (2018: \$(2,589,654.64)). The fair value of the net gains/(losses) arising on the hedged items resulted from factors that included but were not restricted to foreign movements.

## 8 Financial liabilities at fair value through profit or loss

	VanEck Vectors FTSE Global Infrastructure (Hedged) ETF	
	As at	
	30 June 2019 \$'000	30 June 2018 \$'000
<b>Financial liabilities at fair value through profit or loss</b>		
Derivatives (Note 9)	504	1,427
<b>Total financial liabilities at fair value through profit or loss</b>	504	1,427

## 9 Derivative financial instruments

In the normal course of business the Funds enter into transactions in various derivative financial instruments which have certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include many different instruments such as forwards, futures and options. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Funds' portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of the Funds against a fluctuation in market values, foreign exchange risk or to reduce volatility;
- a substitution for trading of physical securities; and
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Funds.

The Funds hold the following derivatives:

### (a) Foreign currency contracts

Foreign currency contracts are primarily used by the Funds to economically hedge against foreign currency exchange rate risks on its non-Australian dollar denominated trading securities. The Funds agree to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Foreign currency contracts are valued at the prevailing bid price at the end of each reporting period. The Funds recognise a gain or loss equal to the change in fair value at the end of each reporting period.

## 9 Derivative financial instruments (continued)

### (a) Foreign currency contracts (continued)

#### VanEck Vectors MSCI World ex Australia Quality ETF

	Contract/ notional \$'000	Fair values	
		Assets \$'000	Liabilities \$'000
<b>As at 30 June 2019</b>			
Foreign currency contracts	8,716	-	-
	<u>8,716</u>	<u>-</u>	<u>-</u>
<b>As at 30 June 2018</b>			
Foreign currency contracts	11	-	-
	<u>11</u>	<u>-</u>	<u>-</u>

#### VanEck Vectors FTSE Global Infrastructure (Hedged) ETF

	Contract/ notional \$'000	Fair values	
		Assets \$'000	Liabilities \$'000
<b>As at 30 June 2019</b>			
Foreign currency contracts	411,086	1,076	504
	<u>411,086</u>	<u>1,076</u>	<u>504</u>
<b>As at 30 June 2018</b>			
Foreign currency contracts	213,611	23	1,427
	<u>213,611</u>	<u>23</u>	<u>1,427</u>

#### VanEck Vectors MSCI International Sustainable Equity ETF

	Contract/ notional \$'000	Fair values	
		Assets \$'000	Liabilities \$'000
<b>As at 30 June 2019</b>			
Foreign currency contracts	414	-	-
	<u>414</u>	<u>-</u>	<u>-</u>

#### VanEck Vectors MSCI Multifactor Emerging Markets Equity ETF

	Contract/ notional \$'000	Fair values	
		Assets \$'000	Liabilities \$'000
<b>As at 30 June 2019</b>			
Foreign currency contracts	285	-	-
	<u>285</u>	<u>-</u>	<u>-</u>

## 9 Derivative financial instruments (continued)

### (a) Foreign currency contracts (continued)

Information about the VanEck Global Equity ETFs exposure to credit risk, foreign exchange, interest rate risk and about the methods and assumptions used in determining fair values is provided in Note 3 and Note 5 to the financial statements. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of derivative financial instruments disclosed above.

## 10 Units in issue

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

	VanEck Vectors MSCI World ex Australia Quality ETF		VanEck Vectors FTSE Global Infrastructure (Hedged) ETF	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	No.'000	No.'000	No.'000	No.'000
Opening balance	16,012	10,961	3,964	1,920
Applications	6,021	5,040	3,240	2,160
Redemptions	-	-	-	(120)
Units issued upon reinvestment of distributions	11	11	7	4
Closing balance	<u>22,044</u>	<u>16,012</u>	<u>7,211</u>	<u>3,964</u>

	VanEck Vectors MSCI International Sustainable Equity ETF	VanEck Vectors MSCI Multifactor Emerging Markets Equity ETF	VanEck Vectors China New Economy ETF
	Period from 6 March 2018 to 30 June 2019	Period from 10 April 2018 to 30 June 2019	Period from 8 November 2018 to 30 June 2019
	No.'000	No.'000	No.'000
Opening balance	-	-	-
Applications	<u>1,100</u>	<u>1,000</u>	<u>6,300</u>
Closing balance	<u>1,100</u>	<u>1,000</u>	<u>6,300</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.

## 10 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.

## 11 Distributions to unitholders

The distributions during the year/period were as follows:

### VanEck Vectors MSCI World ex Australia Quality ETF

#### Year ended

	30 June 2019 \$'000	30 June 2019 CPU	30 June 2018 \$'000	30 June 2018 CPU
Distributions payable	9,038	41.00	6,725	42.00
<b>Total distributions</b>	<b>9,038</b>	<b>41.00</b>	<b>6,725</b>	<b>42.00</b>

### VanEck Vectors FTSE Global Infrastructure (Hedged) ETF

#### Year ended

	30 June 2019 \$'000	30 June 2019 CPU	30 June 2018 \$'000	30 June 2018 CPU
Distributions paid	2,761	53.00	1,712	53.00
Distributions payable	1,370	19.00	753	19.00
<b>Total distributions</b>	<b>4,131</b>	<b>72.00</b>	<b>2,465</b>	<b>72.00</b>

### VanEck Vectors MSCI International Sustainable Equity ETF

Period from 6 March 2018 to 30 June 2019 \$'000	Period from 6 March 2018 to 30 June 2019 CPU
-------------------------------------------------------------	----------------------------------------------------------

Distributions paid	40	10.00
Distributions payable	418	38.00
<b>Total distributions</b>	<b>458</b>	<b>48.00</b>

## 11 Distributions to unitholders (continued)

	<b>VanEck Vectors MSCI Multifactor Emerging Markets Equity ETF</b>	
	Period from 10 April 2018 to 30 June 2019 \$'000	Period from 10 April 2018 to 30 June 2019 CPU
Distributions paid	18	9.00
Distributions payable	<u>290</u>	<u>29.00</u>
<b>Total distributions</b>	<u>308</u>	<u>38.00</u>

	<b>VanEck Vectors China New Economy ETF</b>	
	Period from 8 November 2018 to 30 June 2019 \$'000	Period from 8 November 2018 to 30 June 2019 CPU
Distributions payable	<u>441</u>	<u>7.00</u>
<b>Total distributions</b>	<u>441</u>	<u>7.00</u>

## 12 Cash and cash equivalents

	<b>VanEck Vectors MSCI World ex Australia Quality ETF</b>	
	As at	
	30 June 2019 \$'000	30 June 2018 \$'000
Cash at bank	<u>961</u>	<u>583</u>
<b>Total cash and cash equivalents</b>	<u>961</u>	<u>583</u>

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## 12 Cash and cash equivalents (continued)

### Reconciliation to cash at the end of the year

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

	<b>VanEck Vectors MSCI World ex Australia Quality ETF</b>	
	<b>As at</b>	
	<b>30 June 2019</b>	<b>30 June 2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Balances as above	961	583
Bank overdrafts*	<u>(1,205)</u>	<u>(739)</u>
Balance per Statement of cash flows	<u>(244)</u>	<u>(156)</u>

\*The bank overdrafts are Westpac overdraft accounts used for dividend equitisation. In 2019, interest was charged at between -1.75% and 0.18% p.a. (2018: between 2.60% and 3.85% p.a.).

	<b>VanEck Vectors FTSE Global Infrastructure (Hedged) ETF</b>	
	<b>As at</b>	
	<b>30 June 2019</b>	<b>30 June 2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank	<u>135</u>	<u>19</u>
<b>Total cash and cash equivalents</b>	<u><b>135</b></u>	<u><b>19</b></u>

### Reconciliation to cash at the end of the year

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

	<b>VanEck Vectors FTSE Global Infrastructure (Hedged) ETF</b>	
	<b>As at</b>	
	<b>30 June 2019</b>	<b>30 June 2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Balances as above	135	19
Bank overdrafts*	<u>(613)</u>	<u>(281)</u>
Balance per Statement of cash flows	<u>(478)</u>	<u>(262)</u>

\*The bank overdrafts are Westpac overdraft accounts used for dividend equitisation. In 2019, interest was charged at between -1.75% and 0.18% p.a. (2018: between 2.60% and 4.05% p.a.).

## 12 Cash and cash equivalents (continued)

	VanEck Vectors MSCI International Sustainable Equity ETF As at 30 June 2019 \$'000
Cash at bank	63
<b>Total cash and cash equivalents</b>	<b>63</b>

### Reconciliation to cash at the end of the period

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

	VanEck Vectors MSCI International Sustainable Equity ETF As at 30 June 2019 \$'000
Balances as above	63
Bank overdrafts*	(104)
Balance per Statement of cash flows	(41)

\*The bank overdrafts are Westpac overdraft accounts used for dividend equitisation. In 2019, interest was charged at between -1.75% and 0.18% p.a..

	VanEck Vectors MSCI Multifactor Emerging Markets Equity ETF As at 30 June 2019 \$'000
Cash at bank	10
<b>Total cash and cash equivalents</b>	<b>10</b>

## 12 Cash and cash equivalents (continued)

### Reconciliation to cash at the end of the period

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

	VanEck Vectors MSCI Multifactor Emerging Markets Equity ETF As at 30 June 2019 \$'000
Balances as above	10
Bank overdrafts*	<u>(44)</u>
Balance per Statement of cash flows	<u>(34)</u>

\*The bank overdrafts are Westpac overdraft accounts used for dividend equitisation. In 2019, interest was charged at between -1.75% and 0.18% p.a..

	VanEck Vectors China New Economy ETF As at 30 June 2019 \$'000
Cash at bank	<u>93</u>
<b>Total cash and cash equivalents</b>	<u><b>93</b></u>

## 12 Cash and cash equivalents (continued)

### Reconciliation to cash at the end of the period

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

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

	VanEck Vectors MSCI World ex Australia Quality ETF		VanEck Vectors FTSE Global Infrastructure (Hedged) ETF	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000
<b>(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities</b>				
Profit/(loss) for the year/period	74,459	52,279	15,897	2,052
Proceeds from sale of financial instruments at fair value through profit or loss	111,881	80,063	24,192	16,692
Purchase of financial instruments at fair value through profit or loss	(253,644)	(190,937)	(89,071)	(56,167)
Net (gains)/losses on financial instruments at fair value through profit or loss	(68,463)	(47,818)	(12,918)	(308)
Net change in receivables	(369)	(265)	(223)	(225)
Net change in payables	113	128	48	35
Dividend/distribution income reinvested	(8,792)	(2)	-	-
Effects of foreign currency exchange rate changes on cash and cash equivalents	20	23	3	6
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(144,795)</b>	<b>(106,529)</b>	<b>(62,072)</b>	<b>(37,915)</b>
<b>(b) Non-cash financing activities</b>				
During the year/period, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	238	223	140	78

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

	VanEck Vectors MSCI International Sustainable Equity ETF	VanEck Vectors MSCI Multifactor Emerging Markets Equity ETF	VanEck Vectors China New Economy ETF
	Period from 6 March 2018 to 30 June 2019 \$'000	Period from 10 April 2018 to 30 June 2019 \$'000	Period from 8 November 2018 to 30 June 2019 \$'000
<b>(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities</b>			
Profit/(loss) for the year/period	1,850	115	2,586
Proceeds from sale of financial instruments at fair value through profit or loss	7,271	7,223	23,033
Purchase of financial instruments at fair value through profit or loss	(30,511)	(26,235)	(60,422)
Net (gains)/losses on financial instruments at fair value through profit or loss	(1,419)	212	(1,618)
Net change in receivables	(81)	(116)	(23)
Net change in payables	23	22	36
Dividend/distribution income reinvested	-	(5)	(856)
Effects of foreign currency exchange rate changes on cash and cash equivalents	1	-	-
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(22,866)</b>	<b>(18,784)</b>	<b>(37,264)</b>
<b>(b) Non-cash financing activities</b>			
During the year/period, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	1	-	-

## 14 Remuneration of auditors

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

	VanEck Vectors MSCI World ex Australia Quality ETF		VanEck Vectors FTSE Global Infrastructure (Hedged) ETF	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$
<b>Ernst &amp; Young</b>				
<i>Audit services</i>				
Audit and review of financial statements	19,344	19,158	21,424	21,218
Audit of compliance plan	<u>1,892</u>	<u>2,163</u>	<u>1,892</u>	<u>2,163</u>
<b>Total remuneration of Ernst &amp; Young</b>	<u>21,236</u>	<u>21,321</u>	<u>23,316</u>	<u>23,381</u>

	VanEck Vectors MSCI International Sustainable Equity ETF	VanEck Vectors MSCI Multifactor Emerging Markets Equity ETF	VanEck Vectors China New Economy ETF
	Period from 6 March 2018 to 30 June 2019	Period from 10 April 2018 to 30 June 2019	Period from 8 November 2018 to 30 June 2019
	\$	\$	\$
<b>Ernst &amp; Young</b>			
<i>Audit services</i>			
Audit and review of financial statements	12,896	12,896	19,344
Audit of compliance plan	<u>1,892</u>	<u>1,892</u>	<u>1,892</u>
<b>Total remuneration of Ernst &amp; Young</b>	<u>14,788</u>	<u>14,788</u>	<u>21,236</u>

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

## 15 Receivables

	VanEck Vectors MSCI World ex Australia Quality ETF		VanEck Vectors FTSE Global Infrastructure (Hedged) ETF	
	As at		As at	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000
Dividend and distributions receivable	961	592	563	363
Applications receivable	3	-	-	-
GST receivables	-	-	28	5
<b>Total Receivables</b>	<b>964</b>	<b>592</b>	<b>591</b>	<b>368</b>

	VanEck Vectors MSCI International Sustainable Equity ETF		VanEck Vectors MSCI Multifactor Emerging Markets Equity ETF		VanEck Vectors China New Economy ETF	
	As at		As at		As at	
	30 June 2019	30 June 2019	30 June 2019	30 June 2019	30 June 2019	30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Dividend and distributions receivable		69	114		16	
GST receivables		12	2		7	
<b>Total Receivables</b>		<b>81</b>	<b>116</b>		<b>23</b>	

## 16 Payables

	VanEck Vectors MSCI World ex Australia Quality ETF		VanEck Vectors FTSE Global Infrastructure (Hedged) ETF	
	As at		As at	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000
Management fees payable	186	123	60	34
Withholding tax payable	35	27	31	30
Other payables	122	80	29	8
<b>Total Payables</b>	<b>343</b>	<b>230</b>	<b>120</b>	<b>72</b>

## 16 Payables (continued)

	VanEck Vectors MSCI International Sustainable Equity ETF	VanEck Vectors MSCI Multifactor Emerging Markets Equity ETF	VanEck Vectors China New Economy ETF
	As at 30 June 2019 \$'000	As at 30 June 2019 \$'000	As at 30 June 2019 \$'000
Management fees payable	10	10	28
Withholding tax payable	3	12	2
Other payables	10	-	6
<b>Total Payables</b>	<b>23</b>	<b>22</b>	<b>36</b>

## 17 Related party transactions

### Responsible Entity

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

### Key management personnel

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

Jan van Eck  
Bruce Smith  
Arian Neiron  
Michael Brown  
Jonathan Simon

### (a) Key management personnel unitholdings

There were no key management personnel who held units in the VanEck Vectors MSCI World ex Australia Quality ETF, VanEck Vectors MSCI International Sustainable Equity ETF, VanEck Vectors MSCI Multifactor Emerging Markets Equity ETF and VanEck Vectors China New Economy ETF as at 30 June 2019 (30 June 2018: Nil).

## 17 Related party transactions (continued)

### (a) Key management personnel unitholdings (continued)

The key management personnel of the Responsible Entity held units in the Fund as follows:

#### VanEck Vectors FTSE Global Infrastructure (Hedged) ETF 30 June 2019

Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
Arian Neiron	2,400	1,500	32,165	0.02	-	900	1,080

30 June 2018

Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
Arian Neiron	2,400	2,400	46,546	0.1	-	-	1,728

#### VanEck Vectors MSCI International Sustainable Equity ETF 30 June 2019

Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
Arian Neiron	-	1,800	40,377	0.2	-	-	864

#### VanEck Vectors MSCI Multifactor Emerging Markets Equity ETF 30 June 2019

Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
Arian Neiron	-	1,250	23,581	0.1	-	-	475

#### VanEck Vectors China New Economy ETF 30 June 2019

Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
Arian Neiron	-	3,908	24,778	0.06	-	-	274

## 17 Related party transactions (continued)

### Key management personnel compensation

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

### Key management personnel loan disclosures

The Funds have not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period (2018: Nil).

### Other transactions within the Funds

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Funds during the reporting year/period and there were no material contracts involving directors' interests existing at year/period end (2018: Nil).

### Fees incurred and payable for services provided by the Responsible Entity

The Responsible Entity is entitled to receive an annual management fee of 0.40% p.a. of the total assets of the VanEck Vectors MSCI World ex Australia Quality ETF, the Responsible Entity fees for the year ended 30 June 2019 were \$1,897,775 (2018: \$1,240,040). The aggregate amount payable to the Responsible Entity for the year ended 30 June 2019 was \$186,320 (2018: \$123,232).

The Responsible Entity is entitled to receive an annual management fee of 0.52% p.a. of the total assets of the VanEck Vectors FTSE Global Infrastructure (Hedged) ETF, the Responsible Entity fees for the year ended 30 June 2019 were \$539,130 (2018: \$339,080). The aggregate amount payable to the Responsible Entity for the year ended 30 June 2019 was \$60,134 (2018: \$33,548).

The Responsible Entity is entitled to receive an annual management fee of 0.55% p.a. of the total assets of the VanEck Vectors MSCI International Sustainable Equity ETF, the Responsible Entity fees for the year ended 30 June 2019 were \$102,645. The aggregate amount payable to the Responsible Entity for the year ended 30 June 2019 was \$10,180.

The Responsible Entity is entitled to receive an annual management fee of 0.69% p.a. of the total assets of the VanEck Vectors MSCI Multifactor Emerging Markets Equity ETF, the Responsible Entity fees for the year ended 30 June 2019 were \$89,450. The aggregate amount payable to the Responsible Entity for the year ended 30 June 2019 was \$10,189.

The Responsible Entity is entitled to receive an annual management fee of 0.95% p.a. of the total assets of the VanEck Vectors China New Economy ETF, the Responsible Entity fees for the year ended 30 June 2019 were \$132,449. The aggregate amount payable to the Responsible Entity for the year ended 30 June 2019 was \$28,490.

### Investments

The Funds did not hold any investments in the Responsible Entity or its related parties during the year/period (2018: Nil).

## 18 Events occurring after the reporting period

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Funds disclosed in the Statements of financial position as at 30 June 2019 or on the results and cash flows of the Funds for the year/period ended on that date.

## 19 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2019 and 30 June 2018.

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## Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 7 to 61 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; and
  - (ii) giving a true and fair view of the Fund's financial position as at 30 June 2019 and of its performance for the reporting period ended on that date; and
- (b) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable.
- (c) Note 2(a) confirms that the financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

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



Arian Neiron  
Director

Sydney  
25 September 2019

## INDEPENDENT AUDITOR'S REPORT

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

- VanEck Vectors MSCI World ex Australia Quality ETF (QUAL)
- VanEck Vectors FTSE Global Infrastructure (Hedged) ETF (IFRA)
- VanEck Vectors MSCI International Sustainable Equity ETF (ESGI)
- VanEck Vectors MSCI Multifactor Emerging Markets Equity ETF (EMKT)
- VanEck Vectors China New Economy ETF (CNEW)

Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of the above Funds, which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year/period then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration of VanEck Investments Limited, the Responsible Entity of the Funds.

In our opinion:

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

- giving a true and fair view of the Funds' financial position as at 30 June 2019 and of their financial performance for the year/period ended on that date; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for Opinion

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

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

### Key Audit Matters

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

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

## 1. Investment Existence and Valuation

### Why significant

As exchange traded funds, the Funds have significant investment portfolios consisting primarily of listed equity securities, listed unit trusts and derivatives. As at 30 June 2019, the value of these financial assets were as follows:

Fund	Value of investments and cash	Investments and cash as a % of Total Assets held by Fund
QUAL	\$591,596,830	98%
IFRA	\$154,428,003	99%
ESGI	\$24,324,521	98%
EMKT	\$18,594,708	98%
CNEW	\$39,565,347	99%

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

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

### How our audit addressed the key audit matter

We obtained and considered the assurance report on the controls of the Funds' administrator and custodian, in relation to the Fund Administration Services and Custody Services it provided for the year/period ended 30 June 2019 and considered the auditor's qualifications, competence, objectivity and the results of their procedures.

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

We assessed the fair value of all investments in the portfolio held at 30 June 2019. For listed securities, the values were verified against independently sourced market prices. For unlisted derivatives, the values were verified using independently sourced observable market inputs applied to appropriate valuation models.

We assessed the adequacy of the disclosures in Note 5 and 7 to the financial report.

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## 2. Management Fees

### Why significant

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

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

As at 30 June 2019, management fees totalled:

Fund	Management Fees	Management Fees as a % of Total Expenses incurred
QUAL	\$1,897,775	56%
IFRA	\$539,130	48%
ESGI	\$102,645	46%
EMKT	\$89,450	42%
CNEW	\$132,449	31%

Accordingly, this was considered a key audit matter. The disclosure of these amounts are included in Note 17 of the financial report.

### How our audit addressed the key audit matter

We performed a recalculation of management fees in accordance with contractual arrangements and Product Disclosure Statements (PDS) including agreeing the contract rate to the calculation.

We assessed the adequacy of the disclosures in Notes 2 and 17 to the financial report.

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

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

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

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

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

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## Directors' Responsibilities for the Financial Report

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

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

## Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

*Ernst & Young*

Ernst & Young

*Rohit Khanna*

Rohit Khanna  
Engagement Partner  
Sydney  
25 September 2019

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